THE FINANCIAL POST

OF CANADA

A weekly newspaper aiming to present to the public in a popular manner, accurate information relating to the financial interests and the legitimate investments of Canada.

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THE SECURITY REVIEW

A GLANCE OVER THE LAST HALF YEAR.

The Wide Extensions of Credit — The Danger of Finance Bills — An Improved Outlook Generally — Money Stringency in Canada Will Continue —The Calling of Loans — C. P. R.'s Year — The Prospects of Mackay — Notes on Leading Canadian Securities.

The financial half-year which has just closed has been rather an anomalous one. There has been great industrial prosperity almost the world over. There has been a general high level of the prices of commodities. Profits in most departments of business must have been at least fairly high, while wages have reached, in most cases, levels quite unprecedented. At the same time, owing to the increasing demands arising out of these growing resources, there has been a steady advance in the cost of living, caused not merely by the increase in the price of goods, but also importantly by the increase of luxury of all classes. This has been more conspicuous, probably, in the United States than elsewhere; but it has been observable also in Canada and in Great Britain and Germany. This prosperity has thus probably not yielded so much liquid saving as prudence might well have determined. Moreover, there has been a pervasive furore for speculation, which has been greatly stimulated by the development of new mining regions, and the flotation of new mining and other industrial enterprises of a more or less speculative order. These movements have produced a demand for funds at a time when the ordinary demands of industry were increasing rapidly. This situation has resulted during the past year in dear money.

The accounts of the past six months of the financial institutions may therefore be expected to show large profits; but the assets and liabilities of all of them ought to be scrutinized most carefully, since the enthusiasm for speculation has undoubtedly led many hitherto conservative and careful people to postpone ordinary obligations in order to embark upon speculative enterprises. This practice may not only have rendered insecure accounts hitherto justifiably regarded as sound but may have conduced to renewals of credits which would not otherwise have been necessary.

Credit has undoubtedly been too widely extended throughout the commercial world, and the shrinking process which has begun may have to continue until the proportion between solid and elastic income is such as to involve a more stable equilibrium.

The disturbing feature of the close of the half-year is the resumption of a practice to which attention has already been drawn in these columns—this is the practice of drawing finance bills. A certain number of these bills is convenient, and even necessary, but the system is one which readily lends itself to abuse.

The difficulties of September last were greatly intensified by the presence of an excessive quantity of these bills in the European money markets. During the past nine months, these bills have been practically extinguished. Now, however, encouraged by the improvement in the situation and relying upon exaggeration in the reports of crop failures, the New York bankers have made fresh issues during the past fortnight. This circumstance of course indicates a revival of American credit in Europe; but it is very evident that an adverse crop condition or any other unfavorable circumstance, would at once lead to a suspension of this accommodation. The issue of finance bills may thus suffice to tide over the situation, but it unquestionably may conduce to the postponement of recovery should another crisis, even though it should be a suppressed crisis, take place.

Nevertheless, the outlook generally is distinctly improved. If only the large borrowers of capital can wait until the market recuperates there need be no excessive stringency during the remainder of the year. As regards Canada, however, the monetary stringency now bids fair to increase with the coming months. At the present time, if ever, the banks should be in a favorable position, but their funds remain very scarce, and the calling of loans continues in a manner that brings on the market the most gilt-edged securities. While this process continues there seems little likelihood of immediate improvement in purely local stocks. The issues which have an international market, such as C.P.R. Mackays, Rios, will not be so greatly affected.

The improvement in Wall street was the natural result of the exaggerated low level to which stocks had been reduced and the over-sold condition of the market, accentuated by a movement on the part of the U. P. syndicate to improve the position of the $75,000,000 of convertible bonds. The common stock should stand at 152 for the underwriters to make a parity, but it is hardly likely that this point can be reached by any present movement.

There has been little further news of importance relative to the Northwest crop. In many places the crop is poor, at other points in splendid condition. The basic facts are, however, that the acreage of wheat shows no increase and there is all the danger of frost attendant upon a crop which in its bulk cannot be harvested before a fortnight after the due season.

Dominion Bank.

Continued calling of loans by the banks is responsible for the transactions in Dominion Bank shares. On Thursday there were 266 shares sold, the price remaining consistent at 222. The need of further payments on the new stock is a contributing factor to this liquidation. Since the first of the year the Dominion Bank has added 160 new shareholders to its list. On account of the general belief in its prospective appreciation the shares have been held for a rise, more than with most institutions, and for this reason it is more prominent on the local markets than other bank issues. At 222 it looks a very attractive investment.

On Friday morning 300 shares of Dominion were dealt in on an increasing scale, and the stock advanced quickly from 223 to 226. Nearly every broker had an order to buy. The selling was caused by the stringency and the needs of financiers.

Sovereign Bank.

A number of small odd lots changed hands at 117 on Thursday. Since the reorganization, the air has been entirely cleared, and the shareholders have evidently full confidence in the new executive and the prospects of the institution.

Mackays.

The common stock, whose rise was foretold in The Post ,has been holding strong, and, with any further market movement will witness a good advance. The results might warant an increase in the dividend return, but in the present state of the money market the trustees have refrained from drawing on the resources of the subsidiary companies for this purpose. A supply of working capital, instead of a recourse to short term notes or new issues, is a great source of strength to any company at present. The labor situation and the attitude of the telegraph operators did not invite any further distribution. It is said that the earnings are sufficient to pay eight per cent., but when the increases do come they will probably be gradual rather than violent.

C.P.R.

The gross earnings reached the sum of $72,494,000 for the fiscal year ending June 30th, the last week in June exhibiting gross $2,025,000, an increase of $329,000 over the corresponding week a year ago. In an estimate of the earnings printed in The Post of June 15, they were put conservatively at $71,200,000. The actual figures are, therefore, over a million dollars better than the estimate. The percentage earned on common is better than 13 per cent., which, added to the income from deferred payments on land sales and other accounts, will easily make more than 15 per cent. The dividend question is somewhat dependent upon the leading representatives of British and foreign shareholders. They may demand an increase in spite of the conservative tendency of the Canadian executive. The stock holds strong and, with the improvement in London, will probably advance.

Rios.

The absorption of the common stock for London account continues, with an appreciating influence on its market price. At the annual meeting on Tuesday the proceedings were of a formal character. Mr. Walter Gow was elected a director in the place of the late Alex. Mackenzie.

Detroit United.

Like many long distance tractions, the earnings for the first five months do not appear favorable. The first week of June showed a decrease in gross earnings. The favorable weather of the past few weeks has advanced the earnings. For the first five months, however, gross earnings were $2,496,427 as against $2,204,848, but expenses and taxes increased to $1,601,714, from $1,354,612 in 1906, leaving an actual decrease from last year in surplus of $13,529. The surplus, after fixed charges are paid, stood on May 31 at $355,352. The increased charges are due, in a measure, to the financing of the Detroit, Monroe & Toledo system. The agitation over the three cent fare has subsided and there is every likelihood that there will be no warfare.

Twin City.

The earnings have been increasing in larger proportion with the summer weather. The surplus for five months ending May 31 was $593,326, as compared with $521,755 in 1906. The increase in expenses and fixed charges is on a greater scale than the increase in gross, but large returns are now looked for.

Chicago & Milwaukee.

The Chicago & Milwaukee Electric Railroad Company, by an ordinance of the Chicago City Council, is granted leave to make a direct connection with the Northwestern Elevated Company, by which an entrance to the centre of the city is secured and the cars are run without change through to the present terminus at Evanston. The service is expected to be established by September 1st. It is anticipated that the line will be completed into the heart of Milwaukee by October and as a result the company will have an express service in operation between the two cities, covering a very populous and profitable intervening territory.

Sao Paulo.

On Friday the stock advanced easily from 114 to 116¾ on transactions of 200 shares. The earnings of the road have not been increasing with the rapidity expected. The coffee situation is causing much anxiety in the Sao Paulo district. The task of carrying over an abundant crop so as to keep up prices for the planters has proved too Herculean and the Bank of Brazil is in need of outside assistance. While the monetary troubles may not affect the urban traffic, they do not constitute a bullish argument.

Canadian General Electric.

The announcement of the new issue of preferred weakened the common stock, which on Friday, with small transactions, sold as low as 119½. The floating supply of the stock is not large but in view of the terrible stringency of funds, a new issue locally has great terror. There is no reason to believe that the company cannot maintain its dividend on the common, but many conservative investment shareholders would prefer to see it reduced. The issue of preferred is merely a transference of obligations, and will not add appreciably to the interest charges.

Nova Scotia Steel.

A newspaper dispatch from Sydney, on July 5, says: The work of production at the blast furnaces and open hearths of the Nova Scotia Steel and Coal Co. has so far this month far exceeded all previous records since the works were established three years ago. The immense orders constantly coming in and the excellent quality of the output has necessitated the officials increasing their staff of skilled mechanics, and the month of June will go down on record as the best ever experienced by these two branches of the above company.

As in the blast furnaces and open hearths, so also in the different collieries of the company—increasing outputs and the installation of men and modern machinery. The latest acquisition to the colliery department was the putting in of an endless haulage system in No. 5 colliery, a system which will hereafter do away with horses in this particular mine for underground work, and will mean an output double that which has heretofore been awarded the company from No. 5.

The work of laying the two and a quarter miles of railway from No. 3 to the company's immensely rich coal seams at No. 4 has been begun by Contractor Sutherland, who has a large crowd of men at work rushing the work of construction, and with this addition to the company's plant the directors look forward to a much larger amount on the right side of the ledger than the handsome balance deduced for 1906.

COBALT NOTES.

The Coniagas Fine Record—Now Shipping $5000 Worth Daily.

The Coniagas mine since the first of the year has produced the largest amount of ore in the Cobalt camp, being half a ton short of 1,500 tons. In the last two months it has greatly increased its output. It is now shipping ore at the rate of $5,000 in smelter value daily, and is sending out a carload daily. The shipments are made up approximately as follows ; Two carloads of first-class ore per month, running $50,000 to the car ; 2 carloads of second grade, running from $5,000 to $9,000 per car, and about 25 carloads of low grade ore,, bringing about $800 per car, but sufficient to pay all the expenses of the company. The low grade ore is at present being shipped to the New Jersey smelters, and the high grade to the Copper Cliff smelter. It is expected that the new concentrating plant will be ready about August 1st, and after a month's experimental work will be in full running order by September 1st, when a great reduction in cost of treatment of low grade ore will be effected. The executive purpose to continue the payment of dividends in the form of 2 per cent every two months, and an additional bonus of one per cent, and will form a reserve with the balance, so as to ensure the maintenance of the dividend return without inflation. While it is difficult to predict the life of any Cobalt mine, the controlling interests are not relying on more than a five-year term. This property has thus far in its career, both as regards output, management, the stock market and the open-door policy, been a model for the camp.

Foster stock has been strong during the week and there is every prospect that the allotment of 100,000 treasury shares at 75 cents, will be taken up by the existing shareholders. The market quotation is now close to the price of issue of these treasury shares.

The strike of surface workers on the Nipissing is not expected to be of long duration, and does not extend to the other properties.

The King Edward is said to be a likely shipper in the near future. The City of Cobalt is also soon to be in the shipping list.

A Rally in Consols

THE TONE IN LONDON CONTINUES TO IMPROVE.

Hudson Bay Figures — The Demand for an Increased Demand in C. P. R. —The Bears Have Been Hurt—Buying of Consols by the Banks—Stock Exchange Reform — The Egyptian Crisis.

London, June 26.—There has been a welcome change in the aspect of the stock markets here during the last few days. Gilt-edged securities have led a general recovery, and although the highest prices have not been fully maintained greater confidence is expressed in the outlook than has been customary for many months. Consols, which a week ago were quoted at 83¼, steadily improved, and have to-day touched 84 11-16, closing 84½. There are many theories put forward to account for this substantial rally, but the immediate cause is the Government's announcement that neither local loans, Irish, nor Transvaal issues will be made this year, but, although this had a distinctly reassuring influence on market sentiment, it can hardly be held responsible for the buying of the premier security that has been noticeable. In some quarters it has been suggested that the Government is buying in connection with the sinking fund, but this is hardly probable at this early stage in the national financial year.

The Banks Buy Consols.

More probably, the joint stock banks have effected the advance by a concerted action in a market full of bears. The half-year ends on Saturday, and these institutions, as large holders of consols and kindred investments, naturally desire higher quotations, in order to improve the appearance of their balance sheets, and to obviate the necessity of the drastic writing-down investments which appeared probable a few days ago. In any event, the rise is very welcome to investors. The public looks to see the market turn upwards before venturing to buy after a prolonged decline in values.

C. P. R.'s Dividend.

The recovery in consols has already had a favorable effect on practically every department of the House. Whereas the feeling a week ago was one of extreme depression, more hopeful views are now expressed, although the pessimistic mood which has been so fashionable is not readily shaken off, and one finds a sceptical feeling fairly freely expressed as to whether the improvement will hold. A satisfactory sign is that the change has not only occurred in London, but that much more cheerfulness is being displayed at both Paris and New York.

International Securities.

On the other side of the Channel there has been a sharp rise in international securities, including Russians, Rio Tintos, which are the chief barometer of French speculative sentiment nowadays, have rallied sharply, this movement being assisted by a distinct advance in the price of copper. American railway shares have advanced smartly, but dealings in this market are, as far as London is concerned, purely professional, although it is confidently conceded that yields at current quotations are very attractive. Interest here, however, turns rather toward Canadian Pacifics, and to junior Grand Trunk issues, business in this direction being encouraged by the continued good traffics and the estimates as to the probable net revenue results that will be disclosed as at the end of June. There is some talk of a possible increase in the Canadian Pacific's land bonus, but having the notoriously conservative attitude of the company's directorate in mind the market is not particularly hopeful. There will, however, probably be renewed agitation this year in favor of a distribution on Canadian Pacifics more commensurate with the company's actual earnings than is at present forthcoming.

Bears and the Slump.

One jobber in the consol market makes no secret, so it is said, that he is a bear on a heavy line of consols, and others, although more secretive, are short large amounts of our premier security, which they show no anxiety to close. This state of professional selling has now been carried to tremendous lengths, particularly in home railway stocks, Canadian Pacifics, and Mexican Railway ordinary stock. A Paris banker surmises that more than the whole ordinary capital of the Mexican Railway has been sold "short" in Paris, and the sudden rise last Contango day by "bears" unable to continue the bargains and rushing to buy back, shows that in London the same stock is oversold. The market bear is an astute gentleman, but he is preparing a pretty rod in pickle for his own back. When the tide begins to turn and forced liquidation comes to an end, there will be a general stampede, when the official list will prove interesting to the tired investor. Meanwhile, quotations are artificially lowered by the constant flow of professional sellers of stock they do not possess, whose object is to frighten real holders to assist in their own undoing.

Hudson's Bay Figures.

The figures of the Hudson's Bay Company's report have been previously discounted by the preliminary dividend announcement. Land sales comprised 140,089 acres, which were disposed of for $1,370,638, or $9.78 per acre, against 226,197 acres sold for $1,611,627, an average of $7.12 per acre in the previous twelve months. Town sites sold brought in $256,350, against $342,317 dollars. There is now in hand, land to the value of 3,222,000 acres, which, on the basis of the average value secured during the past financial year, are worth $6,302,233, against the company's issued capital of £1,000,000 in shares which now have a par value of $10. At present the proceeds of the land sales are included in the company's general revenue, but when the acreage in hand is reduced to 500,000 acres, the proceeds of the sale of such land will only be applied to the repayment of capital. The profits of the company's trading business for last year brought in $197,689, as compared with $190,207. The good prices for furs were more than maintained, but the quantity was not quite as good. The balance carried forward is $117,874, compared with $96,307.

The Egyptian Crisis.

The recent slump in values of Egyptian securities has been due solely to the credit crisis in Cairo and Alexandria, and not to any failure of crops or diminution of Egyptian prosperity. In fact, the cotton crop bids fair to score another record in size and value. Agricultural land is still rising, and building sites in Cairo and Alexandria are fetching prices little inferior to London sales. It must not be overlooked that by May and June in every year there is a rush in Egypt to close down business and leave for Europe. Last winter saw the greatest speculative boom that Egypt has enjoyed. When the banks and conservative business men cried a halt loans were called in, and a rush to sell followed. Prices have fallen rapidly and abnormally, and the worst phase has now begun. Local stocks being unmarketable, international blocks are being sacrificed, and it is evident that Unified, Credit Foncier, the leading bank shares—notably Agriculturists, Nationale, and Bank of Egypt—although exceptional bargains may go still lower. Khedivial Steamship and Egyptian markets are both in a strong position, and should maintain good dividends.

English Companies Affected.

Two leading magnates in Cairo have been almost ruined in attempting to engineer a cotton corner, and their shares have been pressed for sale, thus aggravating the decline. Of the land companies. The Egyptian Estates is not expected to pay a dividend, but most of the English managed companies have done well. New Egyptians, and Delta Lands are worth consideration on the decline. The Delta Railway is expected to pay its full preference dividend. The last-named will present its first balance sheet next month, and a 25 per cent. dividend on the deferred shares is expected. Agricultural Banks which have been over 10, have recently changed hands at 7½ and are now 8½, while the bonds and preference shares yield 4 per cent. and over. National Banks have been nearly 30, and have recently touched 17½, but are now 26½. Bank of Egypt, new, 33½; touched 40 last year. And so with many other excellent securities. All these companies are making good profits, and their business is in no way affected by the crisis. Many of the new companies floated in Egypt this year intend to obtain an official quotation in London. There is, however, little difficulty in obtaining Egyptian securities already marketable here likely to improve with the increasing prosperity of the country.

Mexican Mining.

Mexican mining shares are attracting increased attention and promise to come well to the fore later in the year. Esperanzas—in which American control is predominant—has risen sharply, and Dolores have been helped by excellent earnings. The directors of the Eloro Mining & Railway Company have issued a circular giving a summary of development results at the 1,000-ft. level, at which depth the ore was found to be sulphide in character. The vein has been driven on, and at a point 258 feet from the Somera shaft, the ore body is 8 feet wide, with an average value of £10 per ton. A cross-cut from this drive has been put out, and an ore body 7 feet wide, averaging £5 per ton, has been discovered. This is believed to be the Esperanza West vein, but whether it is or not is of no consequense. The fact remains that it is a highly auriferous ore body. It is now intended to open out at the 1,150-ft. level in order to prove whether the chutes live down. Of this there is little reason to fear, as the appearance of the sulphide ore certainly points to permanancy. When sulphide, as on the Kalgoorlie mines, for instance, takes the place of oxidised ore, a new era of prosperity may be anticipated with some degree of confidence. The Eloro has been a good mine, but very few realize its possibilities to-day—except those who have made mining a life's study.

G. J. H.

On July 4th a new vein was discovered on the Nipissing close to the Coniagas line. It looks rich, and native silver is found in it.

Can. Gen. Electric

CAPITAL WILL BE INCREASED BY THREE MILLIONS.

Two Millions of Seven Per Cent. Preferred to be Issued at Once — The Old Preferred to be Retired — One Million Common to be Held in the Treasury—The Absence of any Bonds a Source of Strength—Mr. Nicholls on the Company's Prospects.

As was predicted in The Post, the directors of the Canadian General Electric have decided to increase the capital of the company to meet the rapidly growing demands of the business. The capital has hitherto stood at $4,700,000 common, and $300,000 preferred. A circumstance quite unusual with industrials is the absence of any large lien coming ahead of the stock. As the amount of preferred stock is trifling, the company is therefore in an excellent position to make a commensurate issue of preferred stock. It has therefore decided to increase the total capital to $8,000,000 by the issue of $2,000,000 7 per cent. cumulative preferred stock and $1,000,000 common.

The common stock will not be issued at present, but held in the treasury as a reserve for future requirements. The preferred stock will be issued at par and will be utilized in retiring the old issue of $300,000 six per cent. preferred, in redeeming $160,000 worth of bonds of the Northey Pump Company and in paying the indebtedness to the Bank of Commerce which is now said to amount to about $1,500,000. The old preferred stock will be retired either by purchase at the redemption price of 105 or by exchange, share for share. It is likely that the preferred shareholders will welcome a seven per cent. investment in exchange for their six per cent. return. This will leave over $1,500,000 shares to be disposed of. The general manager, Mr. Frederic Nicolls, says that this can be sold in Great Britain but it would seem to be reasonable that the present holders of common stock should be given an opportunity of subscribing. While the market price of the common stock returning ten per cent. is naturally cheaper than the preferred, the prospect of a sound seven per cent. investment at par is attractive.

As to the necessity for more capital the circular to shareholders says : "Our last annual report contains a copy of each balance sheet of the company for the past sixteen years, and a study of these statements will show the very rapid and continuous expansion of the company's business. During the current year our growth has been even more marked than heretofore, owing largely to the increase in our population through immigration ; the large sums that are being expended by the railways, the development of our Canadian water powers, etc., and to cope with these demands the company must extend its plant and carry a larger stock of raw materials and merchandise. During the past year additional factory buildings have been erected at Peterboro and Davenport, and our liquid assets, comprising raw materials, merchandise, work in progress, and accounts receivable, have largely increased, and now amount to no less a sum than $5,384,056.44.

In an interview in the London Financier of June 3, Mr. Nicholls says :

"Canada at the present time offers the investor the best opportunity in the world to come in for his own advantage. It is no chimerical chance that Canada offers. The country is young, vigorous, expansive, and wonderfully rich in natural resources. Capital invested in companies that are meeting the rapidly growing demands of the Dominion is bound, therefore, to secure a satisfactory return.

"Take the Canadian General Electric, which includes the Canada Foundry Company. Four or five years ago we were paying about £100,000 per annum in wages. To-day we are paying between £400,000 and £500,000 per annum. Notwithstanding the great increase in the payroll, owing to the growth of the business, the company—as the annual statement recently issued shows—has maintained its dividend at 10 per cent. year by year since 1896."

This state of over-sold markets has again brought to the fore the question of time bargains. If the Stock Exchange committee abolished the fortnightly system of settlements, and made all dealings for immediate cash, a great blow would be struck at improper speculation. In the case of Warner's Safe Cure and F. Gorringe & Company's issues the "market" made a dead set at them and sold "bears." They overdid their attack, and immediately the directors and their friends purchased shares to protect their business, prices went sky-high, and the humbled bear had to sue for relief. Undoubtedly, business is driven away from the Exchanges, and investors are afraid to buy, feeling that in the hands of the professional element, they get no chance. The existing Stock Exchange is due partly to this fear, partly to professional banging, and, of course, to the repletion caused by the torrent of new loans since the Boer and Russo-Japanese wars. Nearly every industry except the bucket shop would benefit by restricting these deals in future. There are indications that the Stock Exchange will start the reform from within, and not wait for agitation from without demanding assistance from Parliament.

BANK OF MONTREAL

(ESTABLISHED 1817)

Incorporated By Act of Parliament

Capital (all paid up), $14,400,000.00. Rest, $11,000,000.00. Undivided Profits, $422,689.98

HEAD OFFICE—MONTREAL

BOARD OF DIRECTORS

Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., Honorary President; Hon. Sir George A. Drummond, K.C.M.G., President; E. S. Clouston, Esq., Vice-President; A. T. Paterson, Esq., R. B. Angus, Esq., E. B. Greenshields, Esq., James Ross, Esq., Hon. Robt. Mackay, Sir William C. Macdonald, R. G. Reid, Esq.

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H. V. Meredith, Assistant General Manager, and Manager at Montreal.
C. Sweeny, Superintendent of Branches, British Columbia. W. E. Stavert, Superintendent of Branches, Maritime Provinces.
F. J. Hunter, Inspector N. West and Br. Col. Branches. E. P. Winslow, Inspector Ontario Branches.
D. R. Clark, Inspector Maritime Provinces and Newfoundland Branches.

BRANCHES IN CANADA

Province of Ontario.—Alliston; Almonte; Aurora; Belleville; Bowmanville; Brantford; Brockville; Chatham; Collingwood; Cornwall; Deseronto; Eglinton; Fenelon Falls; Fort William; Goderich; Guelph; Hamilton; Hamilton, Sherman Ave.; Holstein; King City; Kingston; Lindsay; London; Millbrook; Mount Forest; Newmarket; Ottawa; Ottawa, Bank Street; Ottawa, Hull, P. Q.; Paris; Perth; Peterboro; Picton; Port Arthur; Port Hope; Queensville; Sarnia; Stratford; St. Marys; Sudbury; Toronto—Front Street, Yonge Street, Wellington Street, Queen Street, Richmond Street, Carlton Street; Trenton; Tweed; Wallaceburg; Warsaw; Waterford.

Province of Quebec—Buckingham; Cookshire; Danville; Fraserville; Grand Mere; Lake Megantic; Levis; Montreal—Head Office, Hochelaga, Papineau Avenue, Point St. Charles, Seigneurs Street, Ste. Anne de Bellevue, St. Henri, West End, Westmount; Quebec; Quebec, Upper Town, St. Roch's; Sawyerville.

Province of New Brunswick—Andover; Bathurst; Chatham; Edmunston; Fredericton; Grand Falls; Hartland; Moncton; Shediac; St. John; Woodstock.

Province of Nova Scotia—Amherst; Bridgewater; Canso; Glace Bay; Halifax; Halifax, North End; Lunenburg; Mahone Bay; Port Hood; Sydney; Wolfville; Yarmouth.

Northwest Provinces—Altona, Man.; Brandon, Man.; Calgary, Alta.; Edmonton, Alta.; Indian Head, Sask.; Lethbridge, Alta.; Oakville, Man.; Portage la Prairie, Man.; Raymond, Alta.; Regina, Sask.; Rosenfeld, Man.; Saskatoon, Sask.; Winnipeg, Man.; Winnipeg, Fort Rouge; Winnipeg, Logan Avenue.

Province of British Columbia—Armstrong; Chilliwack; Enderby; Greenwood; Kelowna; Nelson; New Denver; New Westminster; Nicola; Rossland; Summerland; Vancouver; Vancouver, Westminster Ave.; Vernon; Victoria.

IN NEWFOUNDLAND: ST. JOHN'S, Bank of Montreal. BIRCHY COVE, Bay of Islands, Bank of Montreal.

IN GREAT BRITAIN: LONDON, Bank of Montreal, 46-47 Threadneedle Street, E.C. (F. W. Taylor, Manager.)

IN THE UNITED STATES: NEW YORK (R. Y. Hebden, W. A. Bog, J. T. Molineux, Agents), 31 Pine Street. CHICAGO, Bank of Montreal (J. M. Greata, Manager). SPOKANE, Wash., Bank of Montreal.

IN MEXICO: MEXICO, D.F. (T. S. C. Saunders, Manager.)

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LONDON, The Bank of England.
" The Union of London and Smith's Bank, Ltd.
" The London and Westminster Bank, Ltd.
" The National Provincial Bank of Eng. Ltd.
LIVERPOOL, The Bank of Liverpool, Ltd.
SCOTLAND, The British Linen Company Bank, and Branches

BANKERS IN THE UNITED STATES

NEW YORK, The National City Bank.
" The Bank of New York, N.B.A.
" National Bank of Commerce of New York
BOSTON, The Merchants' National Bank.
BUFFALO, The Marine Natl. Bank, Buffalo
SAN FRANCISCO, The First National Bank.
" " The Anglo-Californian Bank, Ltd.

Head Office, Montreal

THE MERCHANTS' BANK

OF CANADA

ESTABLISHED 1864

President—Sir H. Montagu Allan
Vice President—Jonathan Hodgson, Esq.
E. F. Hebden, General Manager

Capital Paid-up - - $6,000,000
Reserve Fund and Undivided Profits 4,034,256
Total Assets - - 53,000,000

120 Branches and Agencies in Ontario Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia.

A General Banking Business Transacted.
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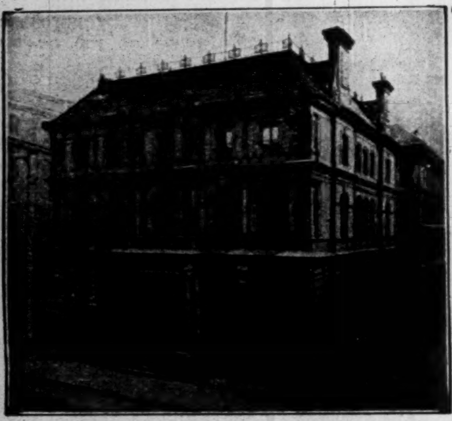
SAVINGS BANK DEPARTMENT
AT ALL BRANCHES.



HEAD OFFICE, MONTREAL.

THE MOLSONS BANK

Capital paid up, $3,305,840
Reserve Fund, - 3,305,840

JAMES ELLIOT - General Manager
A. D. DURNFORD - Chief Inspector

61 BRANCHES THROUGHOUT CANADA

THE METROPOLITAN BANK

Capital Paid up - - - - - - $1,000,000.00
Reserve Fund and Undivided Profits - $1,183,713.23

DIRECTORS:

S. J. MOORE, PRESIDENT. D. E. THOMSON, K.C., VICE-PRESIDENT.
HIS HONOR W. MORTIMER CLARK, K.C.
THOMAS BRADSHAW JOHN FIRSTBROOK JAMES RYRIE

Head Office: TORONTO
W. D. ROSS, GENERAL MANAGER.

GENERAL BANKING BUSINESS. SAVINGS DEPARTMENT AT ALL BRANCHES

BANQUE D'HOCHELAGA

Capital Authorized, $4,000,000

Capital paid up, $2,000 000 - Reserve Fund, $1,600,000

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ROBT. BICKERDIKE, ESQ., M.P. - - - Vice-President
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BRITISH AND CANADIAN BANKS

A COMPARISON OF THEIR EARNINGS.

The Old Country Banks Earn More — Canadian Banks Devote More to Reserves — English Deposits Proportionately Larger — Their Earning Power Thus Increased — Canadian Bank Returns Will Grow.

In our issue of June 15th the earnings of some of the largest revenue producing banks in Great Britain were compared with the largest earners in Canada and the disparity was very greatly in favor of the British institutions. In the following article Mr. Eckardt has made comparisons on the average earnings of 50 English banks, and the average of all the Canadian banks.

In The Financial Post issued the 8th June, a comparison was made between the earnings of the Canadian chartered banks and the United States National banks. The figures showed that the U. S. National banks net earnings for 1906 were 15.91 per cent. on capital, and 10.27 per cent. on capital and surplus, as against 14.04 per cent. on capital and 8.27 per cent. on capital and rest, made by Canadian banks. Furthermore, the United States banks paid 70 per cent. of their earnings in dividends, amounting to 11.14 per cent. on capital and 7.20 per cent. on capital and surplus, while the Canadian institutions distributed 58.66 per cent. of their earning in dividends, amounting to 8.23 per cent. on capital, and 4.85 per cent. on capital and surplus. It will be interesting next to compare the Canadian results with those shown by British banks. Complete statistics of the British returns are not available, since all the banks do not publish profit and loss statements. However, as the London Economist has tabulated the figures of 50 of the English banks that publish their profit and loss, it is possible to make some sort of a comparision. Taking up first the matter of the profits and their disposition, the following results are obtained. The British figures are converted into *dollars at $5 to the pound sterling:

Profits 1906	Canadian banks	50 English banks
Bal. brought forward	$ 2,736,039	$5,665,730
Net profit	12,104,703	42,093,220
Premium new stock	6,371,151	
Total	$21,211,893	$47,758,950
Dividends	$7,208,963	$34,811,165
Reserve funds ...	9,943,089	2,445,210
Premises and depreciation ...	1,603,368	2,537,095
Staff funds, etc	189,533	695,000
Balance carried out	2,266,940	7,270,480
Total	$21,211,893	$47,758,950

The figures for the Scotch and Irish banks are not tabulated, but particulars as to their capital, average dividend on capital, and on capital and reserve, are given. Putting the Canadian figures in the same form, the following table is obtained:

	Average capital	Average dividend
England	$227,152,765	15.3
Scotland	46,580,350	14.3
Ireland	36,546,115	11.6
Canada	80,410,569	8.9

	Average capital and reserve	Average dividend thereon.
England	$392,367,700	8.9
Scotland	86,695,205	7.7
Ireland	56,796,565	7.4
Canada	135,324,194	5.3

The earning power of banking capital in England and Canada in 1906 apparently was as follows:

Profits.	P.C. on capital	P.C. on capital and reserve
England	18.53	10.72
Canada	14.04	8.27

In the matter of returns received by holders of stock in the United Kingdom banks and in Canadian banks, it is plain the former as yet receive considerably more both on the capital and on capital and reserve. But when it comes to earnings, the disparity is not quite so great. The English banks, which pay better dividends than either the Scotch or Irish banks, exceed our own banks only by a little over 30 per cent. in the percentage earned on capital, and a little over 25 per cent. in the percentage earned on capital and reserve. Considering the great difference in banking conditions in the two countries, Canada's showing must be considered creditable indeed. Though a higher level of interest rates obtains here, the English banks have advantages which more than compensate them—one being the greater density and compactness of the business. The salaries of the rank and file of the men are less. The two circumstances together enable the English banks to conduct their operations at a lower expense ratio. They have another advantage in their lesser risks. In an old, highly developed country the risk of loss from a general discounting business is at the minimum. That is one reason why interest rates are higher in a new country like this.

The earning power of the Old Country banks is vastly increased by their higher proportion of deposits to capital. Roughly, the difference, with regard to this, was on 31st December, 1906, thousands omitted:

	Deposits.	Ratio to cap.
England	$3,491,000	15
Scotland	526,000	11
Ireland	273,500	8
Canada	672,623	8

There is a striking difference in the banking policies regarding dividend distributions. The English banks distributed about 83 per cent. of their earnings, as against a distribution of less than 60 per cent by the Canadian. The latter put a much larger proportion into the reserve funds. In Canada the banks put nearly 30 per cent. of their ordinary profit into the rest, along with the six millions odd premium on new stock; while in England only a little more than 5½ per cent. of profits went into the reserves.

Two reasons suggest themselves for this divergence in policy. One is that the English reserve funds have already been built up close to the capitals. Then the policy of distributing nearly all the earnings in dividends is one that is followed by English railroads, as well as English banks. It is largely a survival of the traditional custom of having the dividends fluctuate with fluctuations in prosperity. On this side of the ocean the practice is rather to gradually increase dividend distributions from time to time, treating them as more or less fixed and liable to increase, but not to decrease. Such a policy demands that a large part of the earnings in good years be held back or reserved.

A comparison as to capitals and rests is interesting.

	Ave. capital	Ave. rest.	P.C. of cap.
England	$227,152,765	165,214,935	73
Scotland	46,580,350	40,114,855	86
Ireland	36,546,115	20,250,480	57
Canada	80,410,569	54,913,625	68

H. M. P. ECKARDT.

SELF HELP SERIES

This is a department which we hope will be found inspiring and interesting to young men and women. There will be thousands of them in the employment of subscribers to the Post. The attention of the employers might also be directed to these articles.

ADVICE TO A BANK CLERK.

XXVI.

John Farson, of Chicago, stated in a recent interview the following advice regarding the future career of his son:

"The young man is now employed in a bank, but he has an opportunity to go with an express company, and also with a mercantile agency. He is perplexed. In such a case advice is not easy. This young man may have the capabilities that will fit him for one of these lines and yet make him discouraged and almost a failure in the others. If he has an ambition to rapidly forge his way into notice I would hesitate to advise him to remain in the bank. He has no doubt now come to appreciate, as he did not when he entered, that a good man is likely to be compelled to stifle a great deal of his ambition in such an institution.

"Most young men who find themselves in such a clerkship yield too readily to the situation. They fall into these ruts of business because it is easier to fall in than to keep out, and their life work then becomes a mere grind, with nothing to look forward to but advancement to the next position above them and a slight increase of salary, which can at most be nominal. This is the more easy because it is true that an ordinary bank clerkship may be filled, with a considerable degree of satisfaction to the employer, by a man who is without inventive or executive ability, who is mereful careful, accurate and reasonably quick. These are excellent qualities, but if a man who enters the banking business has not something more he has little to look forward to.

"What I have said seems a little discouraging. I am not willing that that impression should remain, for with all that has been said, I believe there are few lines of activity, commercial, professional, or mechanical, that offer such an unlimited field to the best men—to men with ingenuity, breadth of mind, power of comprehension. Few men are better rewarded in a pecuniary way than those at the head of financial enterprises. The success or failure of these institutions means the success or failure of the commercial world, and to have an active part in the management of such a business is worthy the ambition of any man.

"To a youth, then, who enters upon the duties that must fall to one who is beginning his career in a banking house and who has an ambition to go beyond these duties, I would give the caution that he does not allow himself to be so engrossed with the movement of that particular part of the machine he has to do with that he cannot look about and comprehend, so far as he may, the purpose of the machine as a whole. He should be interested in his work equally with his salary. He should be ambitious to make himself so useful that his services cannot be dispensed with. He is fortunate if he has a resourceful mind. Many young men win their employer's favor by devising economies in administration and suggesting new ways of doing old things, but here, where ability of the highest order is not absolutely required, it is called into exercise with the most difficulty, and many men fail because they have not the energy to rise beyond the things that are really demanded of them. They are willing to be of average ability when they might be more."—The American Banker.

SAVINGS BANK DEPOSITS.

The Legislature has framed wise laws as to in what class of securities banks are permitted to invest their depositors' money. Banks must put their money out, otherwise they could not pay any interest; for that matter, could not even pay for clerical help to run the bank. But the securities they are allowed to buy are only such that are very well protected against default in interest. Should it happen that any of these securities fail to pay interest, the assets and guarantees behind them are more than ample to protect a bank against loss of the pincipal and also the accrued interest. The fact is merely cited as an illustration of how carefully Legislatures have surrounded money savers with every bulwark of protection. The states realize that money can only bring a nominal interest in perfect safety, and to invest it beyond this safety valve is a risk that grows correspondingly the farther it gets from that point.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE, TORONTO ESTABLISHED 1867

B. E. WALKER, President.
ALEX. LAIRD, General Manager,
A. H. IRELAND, Superintendent of Branches

Paid-up Capital, $10,000,000
Rest, - - - - 5,000,000
Total Assets, - 113,000,000

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The Dominion Bank

HEAD OFFICE - TORONTO, ONT.

Capital Paid-up - - - - - $3,600,000
Reserve Fund and Undivided Profits - - - - 4,565,000
Deposits by the Public - - - - 35,000,000
Total Assets - - - - - - 50,090,000

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WILMOT D. MATTHEWS, Vice-President
A. W. AUSTIN JAS. CARRUTHERS J. J. FOY, K.C., M.L.A.
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Incorporated 1855

HEAD OFFICE, TORONTO, ONT.

Capital - - $4,000,000
Rest - - - - 4,500,000
Assets - - 37,000,000

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MONEY LOANED to responsible people.

LETTERS OF CREDIT issued for Travellers or for Importers, containing every facility for safe and convenient banking.

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CHICAGO - - - - First National Bank
LONDON, ENG. - London City and Midland Bank

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LETTERS OF CREDIT
COLLECTIONS NEGOTIATED AND RECEIVED
CORRESPONDENCE INVITED

THE
ROYAL BANK
OF CANADA

INCORPORATED 1869

Capital paid up - - - $3,900,000
Reserves - - - $4,390,000
Total Assets - - $45,000,000

HEAD OFFICE - - - - MONTREAL
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President - - - - Edward Gurney
General Manager - - G. deC. O'Grady

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BALANCES ON SAVINGS ACCOUNTS
WHEN KEPT WITH US DRAW
INTEREST AT FOUR PER CENT
PER ANNUM, COMPOUNDED
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PROVINCIAL SECURITIES CO., Limited
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Port Arthur, Ont., on July 3rd, the ratepayers voted upon several by-laws involving an expenditure of over $500,000. They rejected the proposal to buy land for a fair grounds. They favored the development of Dog Lake Falls and the spending of $600,000 on the construction of two concrete and steel bridges, the purchase of street cars, improvements to the Current river, extension of the waterworks ($253,100), the erection of a police station, double-tracking the street railway for seven miles, the establishment of an incinerating plant, for the erection of new car barns and the isolation hospital and for park improvements.

Opportunities For Investment

IN LOANS ON WESTERN CANADA FARM LANDS.

The Situation Discussed from an American Standpoint — The Virtue of Canadian Law — The Value of the American Invasion — The Greatness of Our Wheat — Farm Lands in the West a Safe Investment.

(The following article is reprinted from "Bonds and Mortgages," of Chicago. It is from the pen of A. C. Bohrnsted, of Minneapolis, and is emphatic on the opportunity offered for investment in loans on western Canada farm lands.)

The Canadian Government enforces all its laws, and one thing is certain, the small investor is protected as much as the millionaire bondholder. Anyone entering Canada for investments with the idea of being favored in any way because he may be an extra large investor will be disappointed.

The careful investor, after considering the laws of the country, naturally considers as the next point the moral hazard in connection with the securities offered.

On this point it is well to remember that the Canadian Government privately caused an analysis of last year's American invasion to be made and the result was astonishing.

The American Invasion.

By counting up the declared value of money and effects carried into Canada by American settlers in 1906 from four states, Michigan, Montana, Illinois and Massachusetts, it was found that the average wealth brought across the border from these states was $809 for each settler. This average for the four states amounted to a total of $6,376,420.

As the number of Americans who crossed the frontier during the year was 61,282, the whole value of the possessions they took with them was approximately $49,586,138.

It must also be remembered that the settler usually has made his permanent investment before coming through with his settler's effects. He usually goes up a year and sometimes two years ahead of the time he goes up permanently, selects his land, and pays all the way from one-third to all cash for his land.

Average Farm, 320 Acres.

The average purchase is about a half-section for each family, but on account of the number who are settling on free homesteads the average is undoubtedly brought down to a quarter-section.

During the past three years this land has cost on an average of about $10 an acre, which, considering our former proposition that each purchaser pays from one-third to one-half cash for his land, will mean that these settlers have enriched Canada to the extent of $500 to $1,000 each, in addition to the amount figured last year by the Canadian Government, when they go in to make their permanent residence. This would increase the total over $30,000,000 more.

High Character of Immigrants.

These people who are going into Canada are not those who are ignorant or those who have made a failure of life in the States, but are those stalwart farmers who have made a success of farming in the states from which they come. Thousands of them are those who pioneered it in the early days, who got their land cheap and who were considered crazy for going west where the prairies would not yield anything, but who, from experience, have found out that the comforts of life do not all come from the soil, but are also increased by the increasing value of the soil.

They realize perfectly well that their children can never secure for themselves a home as easily on land costing $100 to $200 an acre which will not produce any better or any greater quantity of grain than western Canada.

They have the best interests of their children and their children's children at heart and are not going into these newer portions of the country without establishing churches, schools and other up-to-now necessities.

Other Countries Contribute.

The United States is not the only country that is losing some of its best people to Canada, but England, Germany, Sweden, Russia and all the rest of the foreign countries are losing some of their best citizens to Canada.

Having considered the laws governing the investment and the moral hazard surrounding the investment, the next points to be considered are the form of investment and the value of the investment itself.

Last Year's Products.

Last year the total amount of wheat produced was 89,630,000 bushels on about 5,000,000 acres of land. The average yield of the western provinces for the past ten years has been 22 bushels to the acre.

Great Wheat Country.

The results have exceeded anything ever produced in the best wheat sections of the United States. While wheat seems to be crowned king in western Canada, it, by no means, has full sway. Barley yields from 30 to 60 bushels per acre, oats yielding from 30 to even as high as 125 bushels per acre, potatoes, sugar beets and other farm products in proportion.

When lands are yielding returns such as these, can anyone doubt the stability of an investment in a Canadian farm, a Canadian farm mortgage or any class of security which is governed principally by the output of the farm? This in view of the special fact that most of the land is still selling under $25 an acre.

Other Growing Industries.

While dealing in this article principally with that portion of Canada with which the writer is most familiar, it must also be remembered that the Canadian fields open up as great an opportunity for manufacturing, mining and other industries, including the vast lumber industry of British Columbia, as is offered by the United States.

The Canadian farmer, or any Canadian industry, has an unlimited field for its output and prices are equally as good as are the prices in the United States, and the market is continually advancing. A few years ago the exports were mainly to England, but now Japan, Alaska and other fields are opening up to Canadian products.

Rate of Interest Varies.

The rate of interest varies from four to eight per cent. and there are many instances where the shrewd investor can secure even a higher rate of interest which is always the case in a sew country. A favorable form of investment with many who want to secure a little better rate of interest than the average, although still looking out for safety, is the investor who picks up contracts of land dealers and others who have sold lands on the contract plan of one-third cash and the balance in five equal annual instalments bearing six per cent. interest.

To the man who has the time and opportunity to thoroughly investigate the land and class of people who have purchased it, these contracts are a reasonably safe investment from the fact that the farmer increases the value of his security by improvements placed on the land.

Among the conservative investors mortgages and bonds will always be more popular because they are absolutely safe.

Undoubtedly western Canada securities are not selling as rapidly as securities of the same class in the United States, but there is no doubt but that they are increasing in popularity, and the time will soon be at hand when western Canada securities will be in demand and meet with favor by the shrewdest investor.

THE COBALT OUTPUT.

Results of First Half-year Shipments—Value Should Exceed $2,000,000.

Coniagas continues to be the principal shipper in Cobalt and now leads the mines in quantity, and probably in value. Last week it sent out no less than seven carloads. The Colonial appears as a shipper and has shipped its second carload in the year as a result of very extensive development. Nipissing shipped only one carload. The shipments for the year to date, being the first six months, are 6,126.92 tons, which may average $350 per ton, giving a total value for the half year of over $2,000,000. It is difficult to approximate the exact value until the Government returns are complete.

Week ending June 29th.

	Lbs.
Coniagas	434,000
Trethewey	102,000
Nipissing	63,120
Buffalo	60,000
Colonial	40,000
Total	699,120

The shipments for year to date are:

	Lbs.
Coniagas	2,900,630
Nipissing	2,557,882
O'Brien	2,234,381
Trethewey	1,095,718
Buffalo	1,044,300
La Rose	679,783
Silver Queen	389,148
Green Meehan	196,790
Cobalt Central	141,877
Kerr Lake	249,000
Cobalt Townsite	136,230
Foster	140,350
Right of Way	78,030
Colonial	74,250
University	61,385
McKinley-Darragh	60,000
Temiskaming	54,500
Hudson Bay	55,500
Red Rock	40,000
Nova Scotia	30,000
Drummond	44,090
Total	12,253,844
Tons	6,126.92

The month of May, April 29 to May 31:

	Lbs.
Coniagas	682,920
O'Brien	557,290
Nipissing	433,310
Trethewey	229,020
Buffalo	82,770
Hudson Bay	55,500
Temiskaming	54,500
Townsite	46,070
Silver Queen	44,000
Cobalt Central	40,000
Right of Way	1,400
	2,226,780

The shipments for the first four months are as follows:

	Jan.	Feb.
Nipissing	623,701	457,620
O'Brien	419,831	390,110
Buffalo	279,000	120,000
Trethewey		178,648
Coniagas	174,220	108,580
La Rose	123,500	175,067
Silver Queen	125,683	94,885
Green Meehan	61,210	68,380
Foster	43,600	56,750
Kerr Lake		75,000
Cobalt Central		66,957
University	61,385	
McKinley-Darragh	60,000	
Cobalt Townsite	47,160	
Nova Scotia		30,000
Total lbs.	2,019,290	1,821,997

	March.	April.
Nipissing	565,801	
O'Brien	403,470	389,160
Buffalo	241,400	40,000
Trethewey	296,440	167,410
Coniagas	127,920	217,350
La Rose	65,000	
Green-Meehan		67,200
Cobalt Central	34,920	
Foster		
Kerr Lake		80,000
Cobalt Townsite	43,000	
McKinley-Darragh		
Red Rock	40,000	
Right of Way	3,800	
Totals lbs.	1,821,751	961,120

BANK OF
NOVA SCOTIA
INCORPORATED 1832

Capital - - - - $3,000,000
Reserve Fund - - - - $5,250,000

Head Office: HALIFAX, N.S.
General Manager's Office TORONTO

A general banking business transacted

Savings Accounts opened by deposit of $1 or over.
Interest added four times a year

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OF CANADA
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Savings Bank Department in connection with all Branches

THE BANK OF OTTAWA
Head Office: Ottawa, Ont.

Capital, - - - - - - - $3,000,000
Rest and Undivided Profits, - - 3,236,513

Branches and Agents throughout the Dominion of Canada.
Savings Department in connection with all Branches.
GEORGE BURN, General Manager

INVESTMENTS THAT PAY
My special interest, as a financial agent, is in finding out investment opportunities that the general run of investors never hear of until capitalists control them—industrial concerns that want development capital and will give rare value in stock-holdings to get it quickly. I know of five exceptional opportunities now like this—either of them open to the man with a few hundreds. It might pay you to get in touch with me.
BENJAMIN BURLAND
303 BOARD OF TRADE BUILDING, - - - - - - MONTREAL

ALFRED B. WILLIS
Mining Engineer
23 TORONTO STREET, TORONTO

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Capital $500,000 Treasury $100,000
SHARES 50 cents.
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Particulars on application
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SPECIAL INVESTMENT. ABSOLUTELY SECURE.
ASSETS - - - - $1,300,000
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W. PEMBERTON PAGE, Manager

GOOD ADVICE FOR HOT WEATHER

Summer is at last with us, and thirst is a certain accompaniment of the hot weather.

There is no more refreshing or healthy beverage than Canada's first mineral water, 'radnor.

From the cool Laurentian Mountains, radnor comes to us pure, sparkling and delicious.

Radnor makes the best mixer with Scotch, rye or milk. If you value your health drink radnor during the hot months.

THE ROYAL TRUST

The Royal Trust Company, which has had a remarkably successful career in Montreal since its organization some ten years ago, is expanding with the growth of the country, and has opened this week a branch at Toronto. The offices for the present are in the Bank of Montreal chambers. Mr. M. S. L. Richey, formerly manager of the Bank of Montreal at Fredericton, N.B., is manager, and Mr. G. T. Bogert, of the Royal Trust Company's head office staff, is secretary. He is a younger brother of Mr. C. A. Bogert, general manager of the Dominion Bank. The Royal Trust Company recently opened a branch at Ottawa and, in addition to its magnificent head office in Montreal, it has now thirteen branches, as follows: Toronto, Ottawa, Quebec, St. John's, Nfld., Lethbridge, Winnipeg, St. John, N.B., Saskatoon, Calgary, Vancouver, Regina, Edmonton and Brandon. The capital paid up now stands at $600,000, and the reserve fund at the same amount. The company accepts and executes lawful trusts of practically every description, such as executor, administrator, trustee, curator, liquidator, receiver or assignee, and acts as registrar, transfer agent and trustee for the issue of stocks and bonds, and also manages sinking funds for municipalities or corporations. The directors are: President: Right Hon. Lord Strathcona anr Mount Royal, G.C.M.G.; vice-president, Hon. Sir George Drummond, K.C.M.G.; R. B. Angue, E. S. Clouston, E. B. Greenshields, C. M. Hays, C. R. Hosmer, Sir W. C. Macdonald, Hon. R. Mackay, A. Macnided, H. V. Meredith, A. T. Paterson, Sir R. G. Reid, James Ross, Sir T. G. Shaughnessy, K.C.V.O.; Sir William C. Van Horne, K.C.M.G.

THE FINANCIAL POST
OF CANADA

A weekly newspaper aiming to present to the public in a popular manner accurate information relating to the financial interests and legitimate investments of Twentieth Century Canada.

No paid advertising will be inserted in the reading columns unless marked "Advertisement" excepting in he case of Official reports of annual or other meetings of corporations.

The acceptance and insertion of an advertisement shall in no way be taken as an indication of the approval of the editoral department; the latter shall be free to comment or criticize, if necessary, as their study of the situation demands.

Advertising Rates

$2.00 per inch single insertion.
$1.50 per inch each issue for six months.
$1.00 per inch each issue for one year.

Subscription Price

$3.00 per annum to any address in Canada and the United States.

12s. 6d. to any address in Great Britain or Europe.

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President, - - - John Bayne MacLean
Managing Editor, - - - Stewart Houston

Toronto, July 6, 1907.

CASTLES IN SPAIN.

Attention has been drawn ere this to the extravagant advertisements of the Chicago-New York Electric Air line, which still continues to exploit itself in Canadian newspapers. It is now announced that the first section is completed. It would appear that out of 700 miles, five miles have been built, between South La Porte and La Porte. The building of the section has enabled the promoters to put forth literature with fine illustrations of the construction work. Some of the stockholders are apprehensive and have brought an action in the Chicago courts for an accounting and the appointment of a receiver. This is the company which last year occupied whole pages of American daily papers, and as an inducement to the investor offered a pass over the line to the subscribers. Other U.S. flotations which are now in difficulty and which have patronized Canadian newspapers extensively are the Uncle Sam Oil Company, the San Luis Mining Co. and the George A. Treadwell Mining Co.

These companies all pursued the well-worn method of advertising that on and after a certain date they would advance the price of stock. In this relation it may be noted that Law & Co., of Toronto, advertise that the shares of the Blue Bell Gold Mines, Ltd., now selling at 50 cents, will be advanced after July 6 to $1, and still more wonderful, the stock shares of Lucky Boys' Gold Mines, Ltd., now selling at 6 cents, will be advanced to one dollar.

SAFEGUARDS IN FLOTATIONS.

Editor Financial Post, Montreal:

Dear Sir,—To say that I am an admirer of your paper and congratulate you on the valuable service you have rendered, and are rendering, to the public, is simply what all your readers would join in doing. There is, however, I conceive, a matter of very great moment and real actuality which we are all losing sight of just now; and just now is, to my mind, the very time—the very last time—we shall be in a position to cope with a vast impending danger. The following table will truly outline the skeleton in the cupboard at this moment:

(Figures are merely approximate.)

Stocks of genuine Cobalt companies now on market, say	$ 50,000,000
Stocks of fake Cobalt companies now awaiting a boom....	$100,000,000

Providentially, it seems to me, the horde of fakirs who have manufactured, under cover of Ontario charters, this great mass of fraudulent paper—kite-money—are held in check by the present depression, and are unable for the moment to float their bogus securities. It is manifest that if the depression were to disappear, and our genuine stock take a "boom," a large proportion of this false paper would be absorbed by an innocent public.

What is to be done? (And quickly done?)

My answer: Let The Post and press generally give a loud alarm, and urge upon the Ontario Government the absolute necessity of promptly effecting a thorough practical inspection, and suspend the charters of all non-operating companies (and other measures).

I enclose my card.

Yours truly,
LOOK OUT!

The revival of public interest in Cobalt flotations may be a possibility, and in times of speculative excitement the public is frequently heedless of past experience. The suggestion that a careful scrutiny by the Government as to the exercise of charter rights by developing a property is feasible. While there has been almost too much tinkering with company law, a highly desired change in both the Dominion and Provincial acts would be to exact the same conditions as regards prospectuses and advertising that exist in Great Britain. Until this amendment is put in force we shall still witness blanket advertisements offering large quantities of stocks without any statement as to the purchase price, the working capital and the appropriation of funds. If the English procedure were followed, with additional safeguards, the promoters of Silver Birds and Lucky Boys and that class of flotations would not be enriched at the public expense. Beyond this, it becomes difficult for Government protection to go. Any system of inspection and certification would be fraught with difficulty and danger.

BRITISH STEEL DEFENCE.

The formation of a Steel Trust in Great Britain became necessary on account of the systematic organization of the trade in Germany, and the German ironmasters' aggressive policy in foreign fields, and their invasion of Great Britain in dull periods of their own domestic business. American steel men do not apprehend that the combination will result in any falling off of their own exports of iron and steel. They quote figures to show that the British output is small compared to the United States and Germany, that whereas in 1885 Great Britain produced 7,415,000 tons of pig iron, or nearly as much as the combined output of the United States with 4,000,000 tons, and Germany with 3,687,000 tons; in 1906 the U. S. produced 25,307,000 tons; Germany 12,300,000 tons, and Great Britain only 10,100,000 tons.

They also point out that Great Britain is at a disadvantage in ore supplies, being compelled to import 31.5 per cent. of ore, where Germany imports only 9.3 per cent., and the United States 4.9 per cent. Notwithstanding the very high rate of wages in the U. S., the steel men say that in a short time they will be turning out steel at a cost below that of Europe and will be producing fifty per cent. of the world's output of pig iron.

While it is evident that the new English combination which, however, does not include all the important steel firms, will not affect materially the position of the U.S. companies, they should better safeguard their home market and be in an easier position to meet German competition in their foreign fields.

While great claims are being made for the future of the United States steel trade, it is a fact that much has been sacrificed to the saving of wages. Their sources of supplies have been badly and extravagantly mined, their speed of production has been exhibited in defected rails and uncertain structural pieces. In the finer and smaller grades of steel, particularly tools, the British article is still the best, and can meet the competition of both the United States and Germany. In view of the highly organized system of German Kartells, explained in another column, and the combination in the United States, it was indeed time that the British steel trade organized for its own protection.

BANK NOTES.

The capital and the reserve of the Molsons Bank now stand each at $3,305,840.

The Toronto Court of Revision decided this week that interest received from bank deposits was not personal income, even though it was the result of savings from personal earnings.

"You are the general manager of a bank?" asked Mr. Claude A. Macdonnell, M.P., counsel for Gregory.

"Yes," replied Mr. Travers.

"And you overlooked that note that was overdue in February until the end of June," retorted the counsel. "Do you always do business in that way?"

The continued calling of loans by the banks has brought on the market during the past week a quantity of bank stocks and a standard loan company like Canada Permanent.

Mr. F. W. Broughall, general manager of the Sterling Bank, returns to-day from a trip to England. While away he arranged with the Commercial Bank of Scotland to be the correspondents of the Sterling Bank in London and Great Britain. The Commercial Bank is one of the most successful of Scottish institutions. Last year it earned 24 per cent. and paid a dividend of 20 per cent.

The Farmer's Bank figured this week in the forgery case against Bertie Francis Gregory, a, somewhat notorious character of horsey proclivities. Mr. W. R. Travers, the general manager, who laid the information against Gregory, explained the nature of his financial dealings with Gregory, to whose credit he deposited in the Farmers' Bank the sum of $3,531, which Gregory was to invest in horses for him to be shown at the horse show. Mr. Travers said Gregory was only a buyer and had no connection whatever with the stable, although he(Gregory) represented that the place and contents belonged to him. Mr. Travers had trusted him with thousands of dollars to buy stock, but just as soon as he discovered the supposed forged note among the overdue notes that he happened to be looking over at the end of the month, he immediately paid the overdrawn account out of doing business with Gregory, who afterwards had him summoned to the police court for retaining some things in the stable, which he (Gregory) claimed were his personal property. Mr. Travers returned the things in question, although he declared they belonged to him, so as to avoid any publicity or notoriety.

STEEL MEETING POSTPONED.

As a corollary to the interview thefinancial statement of the Steel Company, which is given below, is valuable.

The balance sheet and profit and lossstatement follows:—

ASSETS.

Property and construction		$35,810,664.27
Cash, accounts receivable, etc.	$1,318,358.46	
Raw materials	337,436.70	
Manufactured products	545,692.47	
Warehouse materials	257,312,57	
Materials in process	528,118.12	
Taxes and insurance paid in advance	11,246.65	
	$2,998,164.97	
Special deposits at Montreal	42,964.58	
		3,041,129.55
Dominion Coal Co., Ltd., excess cost of coal to date		810,713.72
		$39,662,507.54

LIABILITIES.

First mortgage bonds	$7,674,000.00	
Second mortgage bonds	1,968,000.00	
Cape Breton real estate bonds	45,833.55	
		9,687,833.55
Interest accrued on first mortgage bonds......	159,875.00	
Interest accrued on second mortgage bonds	19,680.00	
		179,555.00
Bills payable	3,010,487.36	
Accounts payable	417,699.34	
		235,634.82
Sinking fund, first mortgage bonds	60,775.00	
Relining and replacement fund	174,859.82	
		235,634.82
Suspense account		1,872.34
Contingent account; amount reserved in respect of claim against Dominion Coal Co. per contra		810,713.72
Profit and loss account		318,711.41
Capital account:—		
Common stock	20,000,000.00	
Preferred stock	5,000,000.00	
		25,000.000.00
		$39,662,507.54

PROFIT AND LOSS STATEMENT—MAY 31st, 1907.

Gross profits for twelve months, including rents, etc.		$ 2,247,536.45
Charges:—		
Interest on first mortgage bonds	$ 385,387.51	
Interest on second mortgage bonds	120,293.44	
Interest on current loans	178,703,89	
		684,384.84
Balance net profits		$ 1,563,151.61

PROFIT AND LOSS ACCOUNT.

Dr.

June 1, 1906—To balance from last year......	$369,113.99	
May 31st, 1907—Contingent account	810,713.72	
May 31st, 1907—Sinking fund first mortgage bonds ..	64,612.49	
May 31st, 1907—Balance carried forward......	318,711.41	
		$ 1,563,151.61

Cr.

May 31st, 1907—By net profits		$ 1,563,151.61
June 1st, 1907—By balance brought forward		$318,711.41

New York Stock Exchange.

Range of Prices for Week Ending July 5th.

—	Closing June 28	Open. June 29	High.	Low.	Last.
Amalg. Copper Co.	85	85⅛	89⅞	85⅛	89⅛
Am. Car & Foundry	42¾	42½	44¼	42⅜	44⅛
Am. Locomotive Co.	57¼	57⅜	59¼	57¼	59
Am. Smelt. & Ref.	117⅜	117⅝	121¼	117½	120½
Am. Sugar Ref. Co.	121¾	122	124¼	122	124
Am. Tobacco Co., pf.	91¼	91½	92	91¼	92
Am. Woolen Co.	26	26	26½	25¾	26½
Anaconda Cop. Min.	57	57⅜	60⅜	57⅜	59
At., Top. & S.F.	90¾	90½	92⅞	90½	92¾
Atlantic Coast Line	99	98½	100¼	98½	99
Baltimore & Ohio	95½	95¼	98¼	95¼	97¾
Brook. Rapid Transit	55¾	56	59	55½	59
Canadian Pacific	172	172¾	175½	172½	175½
Chesapeake & Ohio	34	34⅛	36¼	34⅛	35⅞
Chi., Great Western	11⅛	11	11½	11	11⅜
Chi., Mil. & St. Paul	128⅛	128¼	132¾	128⅛	132¾
C., C., C. & St. Louis	66¾	66¾	69¾	65⅛	69
Chi. & Northwestern	146¼	147	150	147	150
Colorado Fuel & Iron	31½	31½	33½	31½	33¼
Colorado & Southern	25½	25¼	25⅛	25	25½
Consolidated Gas	119½	119	119⅛	115½	119¾
Delaware & Hudson	170	167½	170	167	169½
Den. & Rio Grande	27⅜	26¼	28½	26¼	28⅜
Dul., S.S. & At.	....	....	....	....	....
Erie	23¼	23¼	25¼	23¼	25¼
Erie, 2d pf.	38	39	42½	39	42¾
General Electric	134¼	140	140	138½	140
Great Northern, pf.	130	130¼	134¼	130¼	134¼
Illinois Central	140	141	144	141	143
Interb.-Metropolitan	16⅝	16¼	17¾	16	17½
Internat. Paper Co.	13	13¼	14⅛	13¼	14⅞
Louisville & Nash.	113	115½	116¾	114½	116
Mackay Companies	67	67	67½	66	68½
Mackay Companies, pf.	66¾	66¾	66¾	65⅞	66
Mexican Central, pf.	20¼	20	20½	20	20½
Minn. & St. Louis	42¾	41½	42½	41½	42½
M., St. P. & S.S.M.	108¼	108	108	106¼	107
M., St. P. & S.S.M., pf.	137	137¾	137¾	137	137
Mo., Kan. & Texas	33¼	33⅝	34¾	33¼	34½
Missouri Pacific	76⅝	75⅞	77	75¼	77
New York Central	111¾	111⅝	113¾	111⅜	113⅝
N.Y., Ont. & Western	36⅜	36½	37⅞	36½	37½
Norfolk & Western	75	76	76¼	75½	75⅝
Northern Pacific	127⅝	128	131¾	128	131½
Pennsylvania R.R.	121¼	121⅛	125	121⅛	124½
People's Gas, Chi.	91¼	97½	92½	91½	92½
Pullman Company	....	....	....	....	....
Railway Steel Spring	42⅝	42½	42¾	42½	42¾
Reading	104¼	104¼	108	104¼	107¾
Rep. Iron & Steel	27½	28¼	30	27	29¾
Rock Island Co.	21⅝	21½	22½	21½	22
Rock Island, pf.	45⅞	46¼	48	46¼	47⅞
St. Louis Southwestern	20	20½	21⅞	20½	21⅞
Sloss-Shef. Steel & Iron	57½	57	58¼	57	58¼
Southern Pacific	79⅛	79⅛	81⅛	79⅛	80⅞
South. Railway	20	19¾	20½	19¾	20½
Texas & Pacific	29⅛	30	31½	30	31½
Union Pacific	137¼	137	141⅛	136¾	141½
U.S. Rubber	38	38⅜	39½	37	37
U.S. Steel	35	35⅛	38⅛	35⅛	38⅛
U.S. Steel, pf.	98⅝	99	100½	99	100¼
Wabash	13	13½	14	13¼	13½
Western Union Tel.	....	....	79¼	79¼	79¼
Wisconsin Central, pf.	....	36	....	....	....

A payment of $10 per share was due on new Standard Bank stock yesterday.

Wheat closed lower on Friday, July selling at 94⅝ and September at 98⅛.

Mr. Travers paid no attention to the question.

Gregory was acquitted, with a warning from the judge to leave Toronto.

Railroad and Street Railway Earnings

Gross Earnings

—	Week ending	1907.	1906.	Changes.	From date mentioned to the last week for which earnings have been reported. Date.	1907.	1906.	Changes.
Canadian Northern	June 30	328,400 00	194,200 00	+ 134,200 00	July 1	7,493,100 00	5,563,100 00	+ 1,930,000 00
Canadian Pacific	June 30	2,025,000 00	1,695,000 00	+ 329,000 00	July 1	71,494,000 00	61,096,000 00	+ 10,398,000 00
Duluth, S.S. & Atlantic	June 21	....	....	....	....	....	....	....
Grand Trunk System	June 21	....	....	....	....	....	....	....
Minn., St. P. & S.S.M. (Soo)	June 21	....	....	+ 51,619 00	....	....	....	....
Minn., St. P. & S.S.M. (Soo)	June 30	....	....	....	....	....	....	....
Detroit United	June 14	127,969 00	118,877 00	8,819 00	Jan. 1	2,740,907 00	2,440,616 00	+ 300,291 00
Detroit United	June 21	....	....	....	....	....	....	....
Detroit, United	June 30	....	....	....	....	....	....	....
Halifax Electric Tram	June 21	3,876 40	391,464 00	+ 3,824 00	....	....	....	....
Halifax Electric Tram	June 30	....	....	....	....	....	....	....
Montreal St. Ry.	June 30	....	....	....	....	....	....	....
Toledo Railways System	June 30	50,568 61	43,184 11	+ 7,473 50	May 1	152,997 53	137,635 82	+ 15,361 71
Toronto Railway Co.	June 30	88,904 87	80,624 08	+ 8,280 79	Jan. 1	1,575,279 24	1,415,156 22	+ 160,123 00
Twin City	June 21	124,334 00	112,372 00	12,962 00	Jan. 1	2,561,998 00	2,388,172 00	+ 273,826 00
Twin City	June 30	....	....	....	....	....	....	....

Net Earnings

—	MAY 1907	MAY 1906	Changes	Eleven months. 1907	Eleven months. 1906	Changes
Canadian Pacific						
Gross	6,937,135 20	5,579,003 15	+ 1,358,132 05	65,399,815 23	56,192,409 53	+ 9,207,405 70
Wkg. Exp.	4,417,777 19	3,391,340 52	+ 1,026,436 67	42,511,612 70	35,157,146 66	+ 7,354,466 04
Net	2,519,358 01	2,187,662 63	+ 331,695 38	22,888,202 53	21,035,262 87	+ 1,852,939 66
Duluth, South Shore and Atlantic						
Gross	313,246 64	269,725 87	+ 43,520 77	2,997,414 57	2,781,518 05	+ 215,896 52
Oper. Exp.	210,687 13	181,304 85	+ 29,382 28	2,094,665 78	1,870,403 49	+ 224,262 29
Net	102,559 51	88,421 02	+ 14,138 49	902,748 79	911,114 56	+ 8,365 77
Other Income	1,253 18	1,583 95	− 330 77	9,642 44	8,615 88	+ 1,026 56
Total Income	103,812 69	90,004 97	+ 13,807 72	912,391 28	919,730 44	− 7,339 21
Interest and taxes	86,641 67	116,240 62	− 29,598 95	945,058 34	1,048,789 86	− 103,731 52
Surplus	17,171 02	....	+ 43,406 67	....	....	....
Deficit	....	26,235 65	....	32,667 11	129,059 42	− 96,392 31
Minn. St. Paul and S.S.M.						
Gross	1,285,838 64	937,266 11	+ 348,572 53	11,732,288 60	10,558,763 69	+ 1,173,525 00
Oper. Exp.	722,451 32	556,369 93	+ 166,081 39	6,714,533 14	5,194,393 75	+ 1,520,139 39
Net	563,387 32	380,896 18	+ 182,491 14	5,017,755 55	5,364,369 94	− 346,614 39
Detroit United				Five months		
Gross	551,434 00	502,953 00	+ 48,481 00	2,496,427 00	2,204,848 00	+ 291,579 00
Oper. Exp. and Taxes	338,179 00	314,373 00	+ 23,806 00	1,601,714 00	1,354,612 00	+ 247,102 00
Net	213,255 00	188,580 00	+ 24,675 00	894,713 00	850,236 00	+ 44,477 00
Other Income	4,871 00	3,102 00	+ 1,769 00	22,674 00	18,092 00	+ 4,582 00
Total Income	218,126 00	191,682 00	+ 26,444 00	917,337 00	868,328 00	+ 49,059 00
Charges	113,897 00	105,478 00	+ 8,419 00	562,035 00	499,447 00	+ 62,588 00
Surplus	104,229 00	86,204 00	+ 18,025 00	355,352 00	368,881 00	+ 13,529 00
Toledo Railways & Light Co.						
Gross	173,990 00	167,847 00	+ 6,143 00	834,881 00	784,391 00	+ 50,490 00
Oper. Exp. and Taxes	106,632 00	93,855 00	+ 12,777 00	490,132 00	420,494 00	+ 69,638 00
Net	67,358 00	73,992 00	− 6,634 00	344,749 00	363,897 00	− 19,148 00
Charges	47,397 00	42,243 00	+ 5,154 00	229,111 00	211,451 00	+ 17,660 00
Surplus	19,961 00	31,749 00	− 11,788 00	130,815 60	152,446 00	− 36,808 00
Twin City Lines						
Gross	496,711 41	448,104 28	+ 48,607 13	2,317,873 48	2,070,017 38	+ 247,855 10
Operating Exp	235,986 60	109,263 35	+ 26,723 25	1,148,372 70	998,838 30	+ 149,534 40
Net	260,724 81	238,840 63	+ 21,883 88	1,169,500 78	1,071,180 08	+ 98,320 70
Charges	115,141 65	110,591 66	+ 4,549 99	576,165 01	549,425 02	+ 26,749 99
Surplus	145,583 16	128,249 27	+ 17,333 89	593,325 77	521,755 06	+ 71,570 71

IMPERIAL BANK
of Canada

ESTABLISHED 1875

HEAD OFFICE - - TORONTO

Capital Paid-up - - $4.700,000
Rest - - - - 4,700,000

A GENERAL BANKING BUSINESS TRANSACTED.

Savings Department at all Branches. Interest allowed on deposits of One Dollar and upwards and credited four times a year.

TRAVELLERS' LETTERS OF CREDIT issued payable in all parts of the world.

1854 THE 1854
HOME BANK OF CANADA

One Dollar starts a savings account. A metal coin and bill Home Savings Bank or a neat Vest Pocket Savings Bank for coins, loaned free of charge to depositors who desire them.

FULL COMPOUND INTEREST

Branches open 7 to 9 o'clock every Saturday Night..

78 Church Street, Queen Street West, Cor. Bathurst,
Bloor Street West, Cor. Bathurst,
Head Office: 8 King Street West, Toronto

BRANCHES
Alliston, Belle River, Cannington, Lawrence Station, Melbourne, St. Thomas, Walkerville, Fernie, B.C., Winnipeg, Man.

JAMES MASON, General Manager

A LEGAL DEPOSITORY FOR TRUST FUNDS

Under the laws of the Province of Ontario this Corporation is a legal depository for Trust Funds. On deposit accounts interest at

THREE AND ONE-HALF PER CENT.

per annum is paid or credited to the account and compounded

FOUR TIMES A YEAR

One Dollar opens an account. Accounts may be opened and deposits made and withdrawn by mail with perfect convenience. Every facility is afforded depositors.

Canada Permanent Mortgage Corporation, Toronto St., Toronto

INVESTORS PROTECTIVE ASSOCIATION, LIMITED

INVESTMENT BROKERS

307 KENNEDY BUILDING, WINNIPEG

Telegraphic Address: "MINTRIAL" WPG.
Codes: A. B. C. 5th Ed., Clough's, Western Union.

The
Standard Loan Company

pays FIVE PER CENT interest on debentures. The Capital of the Company is $1,000,000, with assets of two million and a half, and the high character and financial standing of its Directors is an assurance of safety to investors.

W. S. DINNICK
Vice-Pres. and Managing Director
Head Office,-24 Adelaide Street East, Toronto

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MEMBERS TORONTO STOCK EXCHANGE
STOCKS AND BONDS DEALT IN ON ANY EXCHANGE
15 LAWLOR BUILDING, Cor King and Yonge Streets TORONTO
TELEPHONE M. 1111

The origin of "Coniagas," a word well known as the name of one of Cobalt's rich properties, is interesting.

The opinion sometimes expressed that it was adapted from the Indian language is plausible but incorrect.

An assay of the Cobalt ores shows that they contain four metals, namely, cobalt, nickel, silver, and arsenic; or denoting these metals by their chemical symbols, "Co.," "Ni.," "Ag.," "As." Prof. Miller, the Ontario provincial geologist, noticed that the symbols combined in the above order would form the word "Coniagas."

Hence the name of the mine—the cobalt, nickel, silver, arsenic—"Coniagas."

Sherbrooke, Que.—The ratepayers on June 24th voted in favor of raising $200,000 for installation of a municipal electric plant at Westbury Basin.

Huronville, Sask.—J. Harvey Lane, secretary-treasurer, will receive bids up to July 19th for purchase of $1,500 debentures.

Neepawa, Man.—The ratepayers will vote on a by-law on the 9th inst., to provide $25,000 for a water supply.

RICHELIEU & ONTARIO.

The Company's Good Progress—Increase in Earnings, Decrease in Operating Ratio.

In continuation of their series of letters on the navigation companies, Jaffray & Cassels in their weekly letter give the chief items in the Richelieu & Ontario Co.'s reports in recent years. The company's fleet consists of 26 steamers, about one-half of which are engaged in the general freight and passenger service from Hamilton to the Saguenay, the others, being smaller boats, used in ferry service. The new vessel, the Rapids King, is in commission, and a sister ship, the Rapids Queen, is to be built. The company's freight business this year is reported semi-officially as better than last year. Two hotels, the Manoir Richelieu, at Murray Bay, and the Tadousac, at Tadousac, are owned and managed by the company, and its assets also include many wharves and storehouses. In the season of 1904 the weather was very unsatisfactory for passenger traffic, this accounting for the poor financial showing of that year. Last fall the directors inaugurated the policy of quarterly dividends, making the rate 5 per cent., compared with 6 in former years. They also began an insurance fund, towards which $36,000 was voted from last year's earnings. The statements show:

	Capital.	Bonds.	Gross.	Operating ratio.	Net.	Rate.	Dividend.	Rate	Surplus.
	$	$	$		$		$		$
1906....	3,133,000	323,146	1,366,299	79.70	261,040	8.33	39,150	1¼	326,503
1905....	3,133,000	349,426	1,217,373	78.86	239,294	7.64	....	..	254,660
1904....	3,133,000	349,426	999,869	88.64	94,312	3.01	93,960	3	15,365
1903....	3,133,000	389,920	1,104,801	80.98	189,632	6.05	187,920	6	133,262
1902....	3,133,000	428,753	1,036,666	81.08	174,884	5.57	174,224	6	131,546
1901....	2,505,000	452,113	1,109,458	82.96	166,097	6.63	139,952	6	131,189
1900....	2,088,000	471,580	901,331	82.30	129,322	6.19	117,813	6	162,355

Range of Stock.

	1907	1906	1905	1904	1903	1902	1901	1900
High..........	82⅞	89	77¼	87	104¾	116¼	124	114½
Low..........	62⅞	69¾	62*	55	65	90¼	107¼	100⅜

THE BOND SITUATION.

Halifax Tries to Sell its Bonds Retail—A Financial Authority Says it is a Mistake.

The city of Halifax is adopting a new method of disposing of its debentures. Being unable to obtain purchasers at a satisfactory rate, the city decided to go into the bond business itself, and are advertising their 33-year 4 per cent. bonds at $95 for every $100.

The Post interviewed Mr. John Mackay, head of a well-known Canadian bond house. Mr. Mackay said in this regard:

"As the bonds sold at the price named yield the purchaser only about 4¼ per cent., it is, in the present state of the bond market, an excellent price for the city to receive. If it should dispose of all the bonds it requires to issue from time to time on equally satisfactory terms, it would deserve congratulations. It is, however, mistaken policy for a city of the borrowing needs of Halifax to endeavor to sell its bonds over the counter in this retail fashion. It is very unlikely that it will be able to find a market in this manner for anything but a small proportion of its issues. By assuming to be independent of the bond marketing organization of the country, that organization will, in the meantime, place with the majority of bond buyers the debentures of other cities, and, after Halifax finds out its inability to dispose of its whole issue, it will require to have recourse then to the bond marketing organization. It is unreasonable to expect that the city will, at that time, be able to do as well with its issues as it would have done had it taken direct advantage of that organization in the first place. Bonds can only be absorbed by bond buyers. An overwhelming majority of the bond buyers of the country constitute the direct clientelle of the banks and bond houses. No municipal corporation can expect by spasmodic retail selling efforts to control a clientelle built up over a long term of years at great expense and founded largely on intimate, personal, mutual confidence between buyer and seller. The diminished market available for such municipal corporations, when, after the failure of their own efforts, they seek the assistance of bond houses, together with the disinclination of such houses to be used at will merely as instruments of convenience, will naturally impose a penalty upon such corporations in the matter of price that will make such efforts unnecessarily expensive. The only kind of municipality that is absolutely independent of the bond selling organization of the country is that which is so wealthy and in the enjoyment of such unique credit that it can borrow at will on any scale it requires pending the piecemeal sale of its debentures. Such municipalities are rare."

It is reported that two financial agents of Montreal and Winnipeg have offered to purchase $3,000,000 worth of city of Winnipeg 30-year 4 per cent. debenture bonds. The price offered is 94, and the sale of this quantity of debentures would practically clean up the issue of bonds the city has ready for the market at the present time. The offer is subject to a commission of ½ per cemt. to the agents. So far no confirmation of the statement has been found.

Aemilius Jarvis & Co. report that English demand for Canadian debentures is picking up somewhat, owing to the determination of Canadians to get all the money they can from outside the country.

The town of Carman, Man., are borrowing $16,000 20-year debentures for waterworks and sewers.

Welland, Ont.—The ratepayers of Grantham township, Lincoln county, have carried a by-law to raise $20,000 to drain and macadamize leading roads.

Manor, Sask.—It is proposed to erect a four-roomed school at a cost of $10,000.

CHICAGO AND MILWAUKEE.

The Entrance to Chicago Secured—The Splendid Territory it Covers.

The ordinance which was passed by the Chicago City Council on July 1st was highly important to the Chicago & Milwaukee Electric Railroad Company, and is the culmination of several years of continuous effort on the part of the residents of the "North Shore," to whom rapid and direct transportation to the business centre of Chicago is of vital interest.

The ordinance was in fact passed by the Chicago Council last year, but as traction matters were at that time in a somewhat chaotic state, Mayor Dunne saw fit to veto the action of the Council. However, the present mayor and city council, who came into office pledged to improve transportation facilities in all parts of the city, found themselves in entire accord with the wishes of the citizens, and the ordinace passed the council by a vote of 58 to 7.

Chicago presents many interesting transportation problems. The city, situated on the west shore of Lake Michigan, has been rapidly expanding southwest and north. The level and somewhat low-lying section to the south has been served exceptionally well for many years by the suburban service of the Illinois Central. As a result, this part of the city is now solidly built up and there is little or no room for further growth. Towards the west and north the city is however growing at a phenomenal rate. The "North Shore," which is the local phase describing the west shore of the lake lying north of the city, has peculiar advantages in that the country, which is very picturesque and beautifully wooded, rises from 30 to 100 feet above the level of the lake. Along this strip bordering the lake between Chicago and Milwaukee there are no less than 20 different municipalities which are rapidly growing in population. The entire country from Chicago to Waukegan, a distance of about 30 miles, is a residential suburban section, composed of a succession of beautiful towns about two miles apart. Waukegan, Kenosha and Racine are important and growing manufacturing centres.

The franchise acquired last year in the city of Milwaukee provides for a direct entrance to the business centre on the company's own tracks, and it is expected that by October next a through service between Chicago and Milwaukee will be established. This end has been constantly kept in view by the company and the construction work throughout has been designed to permit a through express service at the highest speed. The maximum curvature employed is one per cent. and the maximum grade one-quarter per cent. The road operates on its own private right of way 100 to 150 feet wide which has been acquired at great expense.

In a word, the strength of the Chicago and Milwaukee Electric Railroad lies in the fact that when completed it will directly serve a population of 3,000,000 people, connecting two important cities only 85 miles apart, and serving over 20 intermediate towns, having an aggregate population of upwards of 200,000 people. The railroad will, on and after October next give a high class suburban service to Milwaukee as well as Chicago, and an express through service between these cities. Highly satisfactory as the earnings have been in the past, the net earnings having increased in 7 years from $81,000 to $531,000, these earnings have been largely achieved upon local business. The inauguration of the new service above mentioned will undoubtedly increase the earnings very greatly, and as the whole district served is rapidly developing, it is confidently beleived that the earnings will continue to expand in a corresponding ratio.

THE GREAT PROBLEM IN AMERICAN LIFE.

Professor Schuman Writes on the Situation—An Analogous Situations in Ancient Rome

The regulation of consolidated and incorporated capital is likely to be the problem of American politics for the next few decades. No thoughtful man acquainted with the lessons of human history can survey the prospect which stretches before us without deep anxiety. It took a great civil war, extending over four years, with a sacrifice of hundreds of thousands of lives and an expenditure of millions of money, to dispose of the constitutional issue on which American political parties formerly divided.

Now that the contest of our parties is waged over economic questions with corporations indeed in the foreground but with the demand for a more equal distribuion of worldly goods in the distance and the spectre of socialism hovering just beyond the horizon—what eye but the eye of omniscience can divine whither and to what we are drifting.

Yet we cannot idly fold our hands or like cowards retreat. Whether we will or not we must face and solve the politico-economic problems which the Zeitgeist has trust upon us. But everything depends on the way in which we attempt the task and the spirit in which we go about it. The safety of states lies in the wisdom, the justice, the moderation, and the civic righteousness of their citizens. If these fail us, the doom of our Republic is written in the history of Rome.

In all the vast and varied panorama of the history of mankind I know nothing so full of interest and instruction for this generation of American people as the later days of the Roman Republic—the century of the Gracchi, of Marius and Sulla, of Crassus and Cato, of Pompey and Julius Caesar.

When the older Gracchus appeared on the scene Rome was still a republic which had undergone transformation from the earlier city-state, with its centuries of courage, civic virtue, and great achievement. Rome had become a world power and was bearing the responsibilities and the burdens of empire.

Her population was no longer a race of farmers, her citizens left the soil and crowded into the cities. The blood of the native stock had become diluted with a foreign strain. The State itself was distracted by a contest between the popular Comitia and a senatorial oligarchy in which each claimed and strove to secure supreme sovereignty.

Unhappily for Rome, a self-constituted savior of society appeared who had eyes to see that the times were out of joint and conceit to believe that he was born to set them right. He was a man of impulsive temperament, who brooked no oposition to his will, and who could not even appreciate a sincere difference of opinion in an honest opponent.

Vain, self-confident, reckless, autocratic, he was also thoroughly honest and deeply persuaded of his own good intentions. And, as fate would have it, he possessed the gift of eloquent speech. This man, who thought himself foreordained by the gods to be the regenerator of Rome, was Tiberius Gracchus. He was, says the historian:

"One of the most striking instances in history of the amount of evil that can be brought about by a thoroughly honest and well-meaning man, who is so entirely convinced of the righteousness of his own intentions and the wisdom of his own measures, that he is driven to regard any one who strives to hinder him as not only folish but morally wicked.

"The type of exalted doctrinaire who exclaims that any constitutional check that hinders his plans must be swept away without further inquiry, that every political opponent is a bad man who must be crushed, has been known in many lands and ages, from ancient Greece down to the France of the Revolution."

Tiberius was the champion of the small producers who had been driven out of business by the great capitalists. He insisted on taking away from the capitalists, without compensation, the lands they had held without question from 70 to 200 years, and distributing them among the petty farmers.

His reforms resulted in riot and massacre, in which the reformer himself miserably perished. But his policy of confiscation without compensation launched the State upon a century of civil war and ruthless proscription, which ended in the overthrow of the republic and the soulless despotism of the Caesars.

Thus ended the first historic attempt of political parties to solve great economic problems. Yet Tiberius Gracchus is not to be blamed for recognizing and facing those problems. The agrarian question, involving the proper relations of the small cultivators and the big capitalists, had to be fought out in the Rome of that day as the relations of public service corporations to consumers and the public must be settled here and now.

The historical results would have been entirely different had not Tiberius Gracchus lacked a just sense of reality, a knowledge of business, and a perception of the dominance of natural law in the sequence of economic phenomena and had he not injected into a grave and complex question of Roman politics a personality of boundless self-confidence and autolatry, equally impatient of opposition and incapable of judicial investigation and consideration.

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STEEL MEETING POSTPONED

THE SITUATION ASSUMES A DRAMATIC PHASE.

The Coal Interests Evidently in Control—A Reasonable Proposition — Mr. Plummer's Good Work — He Reviews the History of the Company—Defines the Dispute.

This advertisement has appeared in the daily papers :

NOTICE

To the Shareholders of the Dominion Iron and Steel Co., Limited :

To prevent any possible embarrassment of the Company's position in its dispute and pending litigation with the Dominion Coal Company, Limited, the Directors, on the advice of counsel, have taken the necessary steps to postpone the holding of the annual meeting, which was called for Friday, the 5th instant.

Due notice of the date when the meeting will take place will be given to the shareholders of the Company.

By order of the Board.

C. S. CAMERON, Secretary.

Montreal, 3rd July, 1907.

The postponement of the annual meeting of the Dominion Iron & Steel Company under an order-in-council of the Government of Nova Scotia, came as a surprise on Wednesday. The executive of the Steel Company, at the instance of the president, Mr. J. H. Plummer, acted very speedily after their meeting early in the week, and the secretary proceeded to Halifax to secure the power. The meeting is deferred with no date mentioned. The reason for the postponement was, undoubtedly, because the Steel executive realized that the majority of proxies would be against them on Friday, but they hope by an appeal to the shareholders at large to countervail the largest individual holders; also, they were afraid that a settlement would be arrived at which would possibly prejudice their claim in the action which is to be tried very shortly.

In spite of many opinions to the contrary, a settlement seems the only proper way out of the gigantic difficulties which a long, protracted and expensive suit would entail. Mr. James Ross and Sir Henry Pellatt are now the two largest holders of Steel common. Sir Henry Pellatt has also a large holding of Coal, but not equivalent to his Steel interests. He has been the strong advocate of peace, and had practically arranged a settlement with the concurrence of Mr. Ross and several large Steel interests who had been strongly opposed to a settlement until it was demonstrated that it was the best way out of the trouble.

The Steel board, as at present constituted, has a number of directors who are figureheads, and have no real interest in the company. The resignations of Messrs. E. R. Wood, F. S. Pearson and W. B. Ross have been in the hands of the secretary for some time. Hon. G. A. Cox, Wm. McMaster, H. M. Whitney, and Hon. David Mackeen, are four other directors who have no interest in Steel. Mr. Elias Rogers has only a small holding, as has Hon. Robert Mackay. It was proposed that in place of the uninterested directors, men should be appointed who had representative holdings, and Messrs. Robert Meighen, W. D. Matthews, Rodolphe Forget, George Smithers and C. R. Hosmer were proposed as substitutes for an equal number of the old board. The basis of settlement which Mr. Ross has offered, of giving one share of Coal, common, for 2½ shares of Steel, common, seemed reasonable.

The general feeling was on Mr. Plummer's side of the controversy, but his action in postponing the meeting has lost him many supporters, who, at the same time, have a high regard for his excellent services in the building up of the Steel Company. It is not likely that Mr. Plummer can continue carrying on the affairs of the Steel Company with the representative shareholders opposed to a warlike policy. The settlement has been merely deferred. Even if the judgment of the first court is in favor of the Steel Company, an appeal would be taken by the Coal Company, so that no finality could result. In any event, the advantage gained in litigation is purely temporary, as a revision of the contract is shortly due.

The president of the Steel Company, Mr. James H. Plummer, has expressed himself as opposed to a settlement or to amalgamation and does not intend to resign. It is believed that the controlling interests are inclined to depose him from his leadership of the Steel Company. If such be the outcome it is, perhaps, unfortunate, because Mr. Plummer has done splendid service for the Steel interests. He took hold of the company at a very critical time and in face of almost insuperable difficulties has brought it to a productive point that is best exemplified in its annual statement, printed last week.

An interview with Mr. Plummer, which appeared in the Montreal Witness this week, is interesting and instructive. It reads in part as follows :

"I think we have done work at the plant which we have reason to be proud of. The works at Sydney were in a ruinous condition when I was made president, scarcely half worked, selling the product in the rawest condition, and not earning enough money to pay the interest on our indebtedness, so that our liabilities were growing larger by accumulation of interest.

"Arrangements had been made before I was there for a rod and plate mill. We completed the former, but abandoned the latter in favor of a rail mill and the results proved our wisdom in doing so. It was a work of years to complete these finishing mills and overhaul the open hearth furnaces and other parts of the plant, and develop the mines so as to produce more ore, and generally to bring the plant to its present excellent condition.

"It is in my opinion better now than a new plant, for we have corrected most of the mistakes discovered, and remedied all the weak spots, rebuilt the furnaces, etc., which experience has shown to be more suitable for our conditions. In fact we put the facilities for handling the material within the plant in proper shape.

"From the first our problem was to produce sufficient tonnage, which would be commensurate with the enormous capital investment and to market our product in a most finished shape. Until we reached these points there could absolutely be no hope of earning anything on common stock, and even a dividend on the preferred would have been doubtful.

"If I had not firmly believed that these points could be reached, that is, a large tonnage and finished products salable at good prices, I should have given up the undertaking years ago. What we have done is to practically double the output of the plant since 1903, and from a condition where we had to borrow money to pay our interest charges we reached a point where, but for the action of the Coal Company, we should have shown earnings of one million, eight hundred thousand dollars over our interest.

"The earnings shown above interest are one million, five hundred and fifty thousand dollars, and the interruption in November cut down our earnings nearly three hundred thousand dollars.

"This is not a mere estimate; it represents the cessation of production ; for instance, in October, 1906, we had over twenty-two thousand tons of pig, but in November only four thousand, six hundred tons, and we did not reach the normal condition again until March.

"That, I think, is very satisfactory progress, although by no means what we hope to reach ultimately.

"The year's results, it must be remembered, were largely based on contracts taken before we were getting the higher prices.

"Our position remains precisely where it was at the outset. When we had our joint interview with the Hon. Mr. Fielding we made a proposition which we thought perfectly fair, that we should take coal at market price, that both companies should facilitate a speedy interpretation of the contract, and we pledged ourselves to take up as soon as a judgment was reached a reconsideration of price and terms, and if an increase was determined it dated back to December, 1906. That, I think, is practically the feeling of the Steel Board still.

"We should be quite willing to consider in the most reasonable spirit, their claim for a modification in the price if our rights are recognized voluntarily or are established in the courts. They have industriously tried to create the opinion that we are unreasonable and irreconciliable. We want our rights to the bitter end, and they have tried to create an impression that this attitude is due to the position taken by two or three members of the Steel Board. The policy we are following, I may say, is concurred in practically by the whole board.

"There has never been any suggestion made by the Coal Company which we felt we could accept without sacrificing the rights of our shareholders and bondholders. Our contract for coal was a very peculiar thing. I do not know of any other made for a term of ninety years, and for the whole supply of coal to a large iron and steel plant. It is a contract given, as I have said elsewhere to induce our shareholders to put in the money and to build a plant, and it was an essential part of the company's franchises. If a mistake was made in the price—which notwithstanding all that has been said, I take leave to doubt, having regard to the fact that we were ready to take seventy-five per cent. of our requirements in slack coal—no one would be more ready than our directors to recognize that such relations as ours with the Coal Company must be on a footing where the contract is fair to both sides, and that feeling animated the board in making the pledge to reconsider the price, even if we should be entirely in the right.

"I do not say that I consider the Coal Company entitled to as much consideration now, or that they will be at the end of the litigation as they were last November."

"Have the coal directors, as reported, made determined efforts to arrive at an amicable settlement with your company?"

"They made an offer at the outset of the trouble, which we declined : they made a further offer later, which was considerably worse for us, and which I need not say we again declined. We met their representatives after the annual meeting of the Coal Campany, in March, and while assured that they had full authority to negotiate in the absence of Mr. Ross, we were told that the prices he had named were not open to discussion. What there was to negotiate about if they adhered to a price we regarded as impossible, I cannot imagine. At any rate, there the matter stopped, and we have since done nothing but attend to the business of the company at Sydney and to the preparation of our case against the Coal Company."

(For financial statement see page 4.)

BOND NOTES.

Mr. John E. Roxburg, of Norwood, Ont., requests bids till 13th of July for the purchase of $10,000 4½ per cent. 30-year debentures.

The city of Niagara Falls will vote on a by-law to provide for the issue of debentures to the amount of $9,500 for the purpose of acquiring lands to be used for cemetery purposes.

Mr. Norman Murray, secretary-treasurer of Vermilion, Alta., asks tenders for $12,775 6 per cent. 20-year debentures.

Toronto Junction is contemplating the issue of debentures to the amount of $100,000.

Moose Jaw, Sask., on July 10th will vote on a by-law to raise $125,000 for the purpose of extending present sewer and waterworks system.

Bradford, Ont.—A by-law will be submitted to the ratepayers on Buly 22nd to raise $7,000 for construction of granolithic sidewalks.

Yellowgrass, Sask. — The ratepayers have voted on a by-law to borrow money for waterworks and other improvements.

Land Boom Is Past

REAL ESTATE IN THE WEST IS HARD TO SELL.

The Crop Situation—Only 15 Bushels to the Acre in Central and Southern Manitoba — Elsewhere Growth Good but Crop is Late — Much of Last Year's Wheat Still in Elevators—The Car Supply Inadequate—First Wheat Shipment Over G.T.P.

Winnipeg, July 1, 1907.

The tightness of the money market continues to cause uneasiness in Winnipeg and the west. It shows no signs of improvement and the prediction of the eastern bankers that there will be tight money for the balance of the year is not calculated to make the westerner feel cheerful. The trouble is legitimate enterprises are likely to be handicapped and it would have been much better if bankers had not loaned so much money during the past few years to men who were speculating in real estate and agreements of sale. If there were less money loaned to these speculators there would be more available to-day for legitimate business. It is not to be expected that real estate would sell very freely under present conditions and in point of fact there is nothing changing hands at all. The people who hold property are not offering it yet at reduced prices, but the upward movement has stopped and everyone seems to be waiting and marking time. There is a feeling among certain westerners that conditions should be concealed and that the man who expresses an opinion that the crop is late or real estate hard to sell is a traitor to his country. Now of course this is an absurd view to take. In the wheat market two years ago, when the price had been boosted to a fictitious level, one trader was very bitter against another who started to sell a few thousand bushels, saying that he was breaking the market. The latter replied with justcice that it could not be a strong market which would not take the sale of such a small quantity. In the same way in real estate to-day the position cannot be legitimate if holders are frightened to admit the true state of affairs. There is no use disguising the fact that property is very hard to sell in Winnipeg at present.

Fifteen Bushels to the Acre.

So far as the crop goes, the progress has been as good as could be hoped for during the past week. The central and southern part of Manitoba, which was so badly in need of rain, has been relieved by heavy showers, which have taken away our anxiety for the time being. The trouble is the rain did not last long enough and if this district does not get some more soon it will be suffering again. After talking with farmers from these districts it is our opinion that even with favorable weather from now till harvest they cannot have over 15 bushels to the acre. Still this is only a small district in comparison with the whole northwest and there is no doubt that over the rest of the country the crops are looking fine. Abundance of rain has fallen in the other parts of Manitoba and over all Saskatchewan. Growth is rapid, but we must always bear in mind the oft-repeated warning that the crop is two weeks late and until it is actually harvested there will be the chance of damage by frost.

Last Year's Wheat Moves Slowly.

The stocks of wheat are moving out of the west very slowly. The terminal elevators at Fort William are still well filled even though shipments from the country points are light on account of wheat merchants finding it impossible to ship out from their country elevators. It is astonishing that the railways are not able to furnish cars even at this season of the year, when there should be a superabundance. Some points are blocked with wheat, all the elevators being full and no cars available to relieve the congestion. If in the summer season, when deliveries from the farmers are at their lightest, there is a serious car shortage, what is going to happen when the rush comes in the fall? The railways attributed the blockade last winter to severe weather and the coal strike in the mountains and promised a good service when these things were out of the way. They have not been able to fulfil their promises and the unfortunate wheat merchant has had to grin and bear it.

An Unfortunate Situation.

The situation is now as follows. The bankers want their money and are pressing the wheat merchants to ship their stocks from the country points to the terminal elevators and thence to Europe, so that the money will be forthcoming in exchange. This is just what the wheat merchants are anxious to do without any urging, for they like to clear up once every year and in any case they do not like holding grain in country elevators during the very warm weather. It is liable to heat and go out of condition and also it costs interest to carry; so that the owner is anxious to get it shipped as soon as possible. You cannot, however, transport grain unless the railway companies furnish cars and therefore the grain remains unshipped. At the present rate of support there will be a million or more bushels of old wheat remaining in the country elevators at harvest time and it will be entirely the fault of the railway companies.

Three Hundred Cars Daily Needed.

This week a deputation of grain men the C.P.R., to lay their grievances before him and show him how serious mat- waited on Mr. Whyte, vice-president of ters were. He admitted that it would take over three hundred cars a day to carry all the wheat between now and harvest and also admitted that the average supply lately has only been about 150 to 200 daily. He promised that the company would make a great effort to furnish sufficient cars during the next two months to meet the situation. It is to be hoped that these efforts will have the desired effect.

The G.T.P.'s Entrance.

Another railroad problem that is perplexing Winnipeg is the entrance of the Grank Trunk Pacific into the city. Plans have been filed and the route was publicly given out. By this route the line comes in very near the present Canadian Northern, running parallel to it through Fort Rouge into the joint terminals. This has roused the city council, who claim that they should have been consulted in the matter. It is urged by them that the proposed route will injure some of the choicest residential property of the city. As the matter stands, the Railway Commission are to meet here on the 13th of July to decide. Their decision will make quite a difference to the geography of the city, and great interest is being taken in the matter.

The first car of wheat is being shipped over the Grand Trunk this week. True, it will only go a short distance on the new railway, from a siding a few miles west of Portage la Prairie into that town. Still it is an indication that steel is being laid and makes us look forward a year or two to the time when the Grand Trunk Pacific will be a large figure in the west.

COBALT.

"The Eternal Return."

"I come again with this sun, with this earth—not to a new life, or a better life, or a similar life; I come again eternally to this identical life."—Thus spake Zarathustra III., Frederick Neitzsche.)

Nothing new, nor yet alike, but ever
again the same,
Only a change of continent; and what
is it: a name?

They called it "St. George" at Schneeberg—we call it "Hudson Bay,"
For mines and men and the silver here
are returned to-day.

Fourteen hundred and seventy—I' was
a Saxon swain.
Nineteen hundred and four—and I am
incarnate again.

Four centuries since a Saxon youth
staked a cobalt doom;
Four centuries!—and, again, I put my
all on the "bloom."

La Rose picks a rock from the blasting
and straightway it is hurled
To Wall Street. News of Silver!—"The
richest camp in the world!"

A frantic rush for claims; the Eager
One vies with the Sly,
The Bulls are strong in the market, and
all throats echo—"Buy!"

Values that jump the limit!—The wise-
eyed leading the blind,
None heeding nor hearing the cry of
the "Wild-cat' behind.

Humanity turns its face and feet to the
rugged north
'Mid ice and snow and the pains of
death to bring the treasure forth.

Away once more from the air, light, and
the surface of things;
Down to the silver intestines of Earth
the bucket swings.

Buy and sell Cobalt, you Dealers!—Rob
it and shout its fame!
Nor remember that at Schneeberg you
traded just the same.

Twenty-five years it lasted, then Saxon
silver shied
I know, for in shaft and gallery I lived
and dug and died.

Twenty-five years—and barely three
finds you timid and cold,
Ready to throw your "block" on the
market—but I say, hold!

"Thirty-three and a fraction, and now
it's selling at ten!"
Twenty-five years it lasted, and so it
will again.

Take pluck and heart to Cobalt camp
in spite of Guggenheim,
There's two and twenty left as yet and
every dog his time!

Some on the wheel will be broken, some
already have lost;
It grinds and truns relentlessly, and
some must pay the cost.

So I shall die in the shaft, at fifty feet
as before;
Nobody's fault—a chance piece dropped
from a bucket of ore.

The cobalt vein is given again to the
human hive
That some may lose, as they always have
lost, and some may thrive.

—VIOLET IRWIN.

N.B.—Cobalt, Ont. : "The only similar geological condition known is in Saxony, where cobalt mines were discovered about 1740 and operated for a period of twenty-five years. The most famous mine was the St. George at Schneebeg."—From a report by Prof. W. G. Miller.

BANK OF ENGLAND.

The rate of discount of the Bank of England was unchanged at 4 per cent. A year ago it was 3½ per cent. Two years ago it was 2½ per cent. The statement of the bank shows the proportion of reserves to liabilities 38.34 per cent., compared with 42.73 per cent. last week, 41.23 last year, and 42.65 two years ago. The loss of 4.39 per cent. this week compares with a loss of 6.21 per cent. last year, and a loss of 3.54 two years ago. The statement shows :—

		Increase.
Reserve	£24,044,000	*£1,103,000
Circulation	29,977,000	768,000
Bullion	36,329,725	*335,310
Other securities	32,603,206	4,913,000
Public deposits		
Other deposits ..	38,769,239	*958,000
Notes reserve .	22,448,000	*1,041,000
Gov't securities	15,123,000	Unchg'd

---

* Decrease.

The New English Steel Trust and the German Kartells

There seems little reason to doubt that the new English steel trust which consolidates nine of the large steel producers, has been formed for the purpose of fighting the export policy of the German Kartells. Although at some future time, or on some special occasions, the United States may become a formidable competitor in neutral markets, the demands of that country for steel for domestic consumption are as yet quite great enough to absorb the continually increasing production, great as it is. In Germany the domestic demand is by no means proportionately so great as it is in the United States. With her great capacity for production, her low producers' costs, her bounties on shipping, her preferential export freights on the railways, and her system of Kartells, Germany has become already a formidable competitor of England in the world's markets for iron and steel products. During the period immediately following the collapse of the boom in German home industry in 1900, the German manufacturers, rather than diminish their production of iron and steel, exported largely, even at unprofitable prices, and even to the United States. "Dumping" has occasionally been resorted to by the steel makers of the United States, but the Germans have elevated "dumping" into a system. A description of this system may well be preceded by a brief account of the Kartell, by which it is engineered.

The Kartell is an association of producers formed for the purpose of regulating the home and export trades alike. The members of the Kartell may have their independent concerns, but they submit the conduct of their business so far as regards sales to the regulations agreed upon in their Kartels. The members are, of course, parties to the determination of the character of these regulations. They are liable to be fined should they controvene them. Or, the Kartell may be a company with a capital subscribed like any other company—even in this form, however, there is underlying an element of financial independence of the constituent members. The capital of the Kartell is something of merely nominal amount.

In the first-mentioned form the agreement is simply made for a term of years, from two to five years being a customary period.

The actual conduct of the agreements is confided frequently to a clearing house—so-called. There are now several hundred Kartells in Germany, about 80 being in the iron and steel trade. The legality of the Kartell has been assailed in the German courts, but without success.

Among the principal functions of this trade organization are the following :—Fixation of prices in the home market, determination of the quantities to be produced, delimitation of areas of operations, watching of home and foreign markets, distribution of orders among its members, payment of bonuses on goods exported.

While German home trade is brisk, the Kartells are quiescent in foreign trade; but whenever there is any slackening in domestic absorption of the product of their members, export activity begins at once. The works are not put on short time, but they go on as usual, while the domestic price is maintained in spite of the disparity between supply and demand by promoting export of the product by means of bonuses.

The period during which this policy was most vigorously developed was between 1900 and 1903 ; since then it has never quite ceased, and probably at present the Kartells are laying their account with a fresh onslaught upon foreign markets.

Innumerable examples of the system might be given—a few will suffice. In 1901, the Pig Iron Kartell granted an export bounty of ten marks ($2.43) per metric ton for steel, provided the pig iron had been bought at a certain price. Similarly the Rhenish Westphalia Coal Kartell allowed an export bounty of fifteen marks ($3.65), provided the coal with which the steel was made was bought from that Kartell. Upon this the steel manufacturers shipped girders at 85 to 90 marks, while the domestic prices for the same girders were 105 to 110 marks. So, also, a German firm shipped 20,000 tons of rails at 90 marks f.o.b. Antwerp, when the Prussian Railway Department was paying 120.50 marks.

Goods were even exported from Germany, the bounty being paid upon them and then re-imported, the duty being paid upon them, and a profit realized upon the transaction.

In some cases, however, the domestic price could not be maintained by the Kartell in consequence of foreign competition, and sometimes owing to the almost total absence of demand the official domestic price was merely nominal.

The promotion of export trade is an explicit and avowed object of practically all the German Kartells. Although the policy has been the subject of comment in the Diet, chiefly on account of the complaints of the smaller manufacturers, who found the prices of raw material as fixed by the Kartells prohibitory, yet there does not seem to be any sign of abandonment of a policy by which foreign connections are opened up and industries maintained.

The prospect of further development of systematic and well-organized "dumping" by the Kartells seems to have had a great deal to do with the consolidation of the steel firms in England.

It is not a little remarkable that, while in the United States the trusts are held to have been the outcome of protection in that country, we should find the trust developed in England as a substitute for protection. It would appear that the steel manufacturers, who were at no period at all eager advocates of Mr. Chamberlain's plans, had made up their minds to deal with the situation in their own way. Their aversion to a generally protective policy for England is readily understood, because their interests are inextricably bound up with shipbuilding and shipping, which they naturally realize might be affected adversely by a general policy of protection.

It remains to be seen whether the new trust will be able, in the absence of protection, to maintain domestic prices at a level sufficiently high to enable them to cope with the bounty-fed export policy of their German rivals. By organizing the shipping industry as an adjunct they may, however, be able by means of preferential freights to do something to offset the effects of dumping during the periods when the policy is actively carried on.

JAMES MAVOR.

THE SOVEREIGN BANK

BY-LAW TO REDUCE CAPITAL STOCK.

The Sovereign Bank of Canada hereby gives notice of intention to apply to the Treasury Board for the issue of a certificate approving of the By-law below set out, and such application will be made as soon after this notice has been published for four weeks in the Canada Gazette and in a newspaper published in the City of Toronto as the Treasury Board can hear the application.

Shareholders' By-law No. VIII.

WHEREAS the capital stock of the Bank is Four Million Dollars divided into forty thousand shares of One Hundred Dollars ($100) each, and the whole of said capital stock is issued and fully paid up ;

AND WHEREAS it is deemed expedient to reduce the said capital stock to Three Millions Dollars divided into thirty thousand fully paid up shares of One Hundred Dollars ($100) each;

THEREFORE the shareholders of the Sovereign Bank of Canada, now assembled in annual general meeting, enact as follows :—

1. The capital stock of the Sovereign Bank of Canada is hereby reduced to Three Million Dollars, divided into thirty thousand full paid up shares of the par value of One Hundred Dollars ($100) each, and the number of shares held by each shareholder at the time this By-law comes into operation is accordingly reduced in the same proportion, and the registers of shareholders shall be rectified and all other proper entries shall be made so that the said reduction may be properly made and the provisions of this By-law properly carried out.

2. Share certificates in such form as the Board of Directors may adopt shall be issued to the shareholders for the number of entire shares held by them respectively after the said reduction has been made, but no fractional part of a share resulting from the operation of this By-law shall be assignable or transferable on the books of the Bank. There shall however be issued to those who may be entitled thereto special certificates representing fractional parts of a share. Each such special certificate may state that the said fraction of a share may be combined with any other fraction or fractions of a share so as to produce an entire share or shares, and such special certificates and the fractions represented thereby shall for the purpose of being combined with another fraction or fractions of a share be assignable by instrument in writing, and the assignee shall be entitled to the benefit of the fractions represented thereby, and upon the production and surrender to the Bank at any time by the holder of special certificates representing fractions of shares sufficient to make up one or more entire shares of One Hundred Dollars ($100) each, such holder shall be registered as the holder of the entire share or shares so represented and a share certificate therefor shall be issued. A special certificate shall be issued for any remaining fractions.

IN WITNESS WHEREOF the corporate seal of the said Bank has been hereto attached and this By-law has been signed by the President and General Manager on the eleventh day of June, 1907.

AEMILIUS JARVIS, President.
F. G. JEMMETT, General Manager.
(27)

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THE SOVEREIGN BANK of Canada

Notice is hereby given that a dividend of one and one-half per cent. (1½ p.c.) for the current quarter, being at the rate of six per cent. (6 p.c.) per annum on the Capital Stock of this Bank (to be reduced to Three Million Dollars) has been declared, and that the same will be payable on such reduced capital at the Head Office and at the Branches on and after Friday, the 16th day of August next.

The transfer books will be closed from the 1st to the 15th August, both days inclusive.

By order of the Board,

F. G. JEMMETT,
General Manager.

Toronto, July 2nd, 1907.

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MOODY'S MAGAZINE 35 Nassau Street New York City

The Bank of Toronto has opened a branch in the city of Toronto on Dundas street, opposite Arthur street, under the management of Mr. J. H. Watson.

Mr. J. Turnbull, general manager of the Bank of Hamilton, is on a visit to the Northwest overlooking the branches of the bank.

ELECTRIC RAILWAY BONDS

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THE UNION BANK

THE SURPRISING RETURN YIELDED BY AN INVESTMENT

Made in its Shares Six Years Ago—A Remarkably Progressive Institution—Its Enterprise in the Northwest Field—Its Large Number of Branches—Second in Point of Number — Its Rapid Growth.

Founded in old Quebec, and nurtured in an atmosphere of conservatism, the Union Bank of Canada has an exceptionally progressive record. Its directors entered the Northwest field at a favorable period, and it branched out in the growing communities well in advance of many other institutions, with the result that at many important points it is the pioneer institution, possessing the advantages which prior establishment brings. When four years ago it erected a magnificent sky-scraper in the city of Winnipeg, an office building costing half a million dollars, many wiseacres shook their heads at the enterprise. The remarkable advance in central property values in Winnipeg was, however, foreseen, with the result that the bank not only has a highly profitable investment, but one which exemplifies to the Northwest public the position the bank holds in the business of that territory. It has the largest number of branches in the Northwest country of any bank in Canada. Advancing thus with a rapidly growing community, the bank reflects the growth in its own story.

An investment made in its shares in 1901 at 104, the current price, and sold out in 1906, at 150, the average price, would have returned the investor his principal intact and 14.42 per annum in interest, made up as follows: Average dividend on original purchase price, 6.49; return on purchase price from average annual increase in selling price, 7.37 per cent.; average return from sales of allotment of new stock, .56 per cent. This is another instance of the rich returns to be gained from investments in Canadian banks.

The bank's year ends on May 31st, and the salient figures since 1900 are:

Year	Capital	Rest	Profit and loss balance	Circulation	Total deposits	Total liabilities to the public	Total assets
	$	$	$	$	$	$	$
1901......	2,000,000	550,000	23,000	1,454,000	6,794,000	8,507,000	11,136,000
1902......	2,000,000	650,000	35,000	1,836,000	8,462,000	10,618,000	13,368,000
1903......	2,485,000	1,000,000	24,000	2,380,000	13,344,000	15,814,000	19,421,000
1904......	2,500,000	1,000,000	67,000	2,294,000	14,349,000	16,929,000	20,602,000
1905......	2,500,000	1,100,000	74,000	2,350,000	16,534,000	18,977,000	22,767,000.
1906......	3,000,000	1,500,000	27,000	2,590,000	20,845,000	23,527,000	28,281,000
1907......	3,000,000	1,600,000	44,000	2,489,000	21,200,000	25,726,000	30,607,000

It will be seen by the above that during the six years the bank's

Capital increased	....	50 p.c.
Reserve "	....	190 "
Circulation "	....	70 "
Deposits "	....	212 "
Total assets "	....	165 "

During the seven years the total amount transferred to the reserve fund was $1,050,000, of which $432,944 was from premiums on new capital and $617,056 from earnings.

The total written off against bank premises account was $310,000, the fund standing at the end of May, 1906, at $1,101,436.

Year.	Prop. of rest to capital.	Prop of rest to assets other than specie and Dom. notes	Prop. of capital and rest to liabilities.	Rate of divd. paid	Rate of earning on capital.	Rate of earning on average market price of stock.	Percentage of divid on market price of stock.	Book value	Average price of shares (Calendar year.)
	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.		
1901......	27.50	5.20	29.97	6	8.42	8.09	5.77	129	104
1902......	32.50	5.39	24.96	6½	12.12	10.53	5.65	134	115
1903......	40.24	5.61	22.04	7	16.50	12.30	5.22	141	134
1904......	40.	5.30	20.67	7	17.50	13.	5.20	143	135
1905......	44.	5.26	18.97	7	15.28	10.76	4.92	147	142
1906......	50.	5.72	19.12	7	16.04	10.68	4.66	151	150
1907......	53.33	5.57	17.88	7	14.66	10.11	4.82	155	145

Increases in capital, issued pro rata to old shareholders, were made as follows:

1903—1 share in 8 at 125—market price, 134
1903—1 " 9 at 130— " 134
1906—1 " 5 at 140— " 150

The directors and officers of the bank are: Hon. John Sharples, president; Wm. Price, vice-president; E. J. Hale, Mortimer B. Davis, E. L. Drewry, William Shaw, John Galt, F. E. Kenaston, R. T. Riley, G. H. Thomson, G. H. Balfour, general manager; J. G. Billett, inspector; E. E. Code, asst. inspector.

A Study in Options

By Mr. Ary Oppenheim, LL.D., London, Eng.

THE CALL.

III.

In order to get a clear understanding of a call, it is necessary also to consider the position of the taker of the option-money. Perhaps one might compare him with an insurance office, although there is a wide difference between the two, but it will enable a layman to understand the matter better.

Insurance people take their profit on the premiums they receive, and when their risks become too great they get underwriters to assist them. In the same way, takers must find their profits in the moneys they receive, and if their risks become too heavy they must appeal to underwriters.

Let us consider the case of a taker who is generally in a sound position, and who has received such an amount in option-moneys that he does not for the present deem it necessary to have his risk underwritten. (Of course, the general tendency of the market as well as his own feeling greatly influence his opinion). On March 7th, 19—, he takes $5 per share for a call of 500 Canadian Pacifics at 131½ for the end of July. During the first few weeks the market "sags," and reaches, say on April 18th, 127 per cent. Our taker is in high spirits, as the giver will not call the shares at 131½. But in May the market becomes better, and soon Canadian Pacifics sell at 131. The taker becomes now somewhat anxious, and decides to safeguard himself against part of the possible loss. On May 27th he purchases 250 Canadians for end August at 131¾ and waits. The market remains firm, and end August the Canadians stand at 137½. The giver applies for his 500 Canadians at 131½, and the taker must now buy another 250 at 137½. His account would now stand as in Example A.:

EXAMPLE A.

Dr.		Cr.	
May 27th— 250 Canadians at 131¾	£6,587 10 0	March 7th— $5 per share Call of 500 Canadians at 131½	£500 0 0
August 31st— 250 Canadians at 137½	6,875 0 0	August 31st— 500 Canadians (called) at at 131½	13,150 0 0
Balance	187 10 0		
	£13,650 0 0		£13,650 0 0
		August 31st— Balance	£187 10 0

He might, of course, have protected himself against loss in other ways. He might have been wise by giving, say, $4 for the call at 128 when the market fell away, Canadians being quoted at 127 on April 18th. Had prices continued to lower, then at the end of the option neither he nor the original giver would have required delivery of the stock, and he would have lost or gained, according to his having paid more or less than the option he had taken himself. In his ledger the entry would be:

EXAMPLE B.

Dr.	Cr.
Option-money paid	Option-money received

Had there been, on the contrary, a rise in the market, and had Canadians touched 135½ on August 31st, he would have had to deliver 500 Canadians at 131½, whereas he might have called them himself at 128. His account would have been as follows:

EXAMPLE C.

Dr.		Cr.	
April 18th— $4 per share Call of 500 Canadians at 128.........	£400 0 0	March 7th— $5 per share Call of 500 Canadians at 131½.........	£500 0 0
August 31st— 500 Canadians called at 128.........	12,800 0 0	August 31st— 500 Canadians called at 131½......	13,150 0 0
Balance	450 0 0		
	£13,650 0 0		£13,650 0 0
		August 31st— Balance...	£450 0 0

He might, of course, have bought the stock right out at 127, and, in case of a rising market, make a much larger profit. He might also have bought half the shares and give for the put-and-call of the other half; and the simplest way would have been to try and buy a cheaper call from somebody else at the same moment that he took for the call. But in the latter case his profit would have been exceedingly small, for, although deals in options are in many cases a matter of negotiation, quotations for options do, as a rule, not differ very much.

In the majority of cases no fixed rules can be given how takers ought to act; it will usually depend on their current obligations. Some contend that one who takes cash for a call is a bear, and in the same way it is thought that one who takes for a put is a bull. I think this is a wrong conception. For, if a jobber is a bull for, say, 1,000 Baltimore, and he does not care to run the risk of holding such a number of shares, he will be wise by taking cash for the call of these shares. On the other hand, if he is short, and he does not care for the risk, he will take cash for the put.

These transactions must, as a rule, be considered as a limitation of the risk of loss, and have in most cases nothing to do with being bullish or bearish.

If one wants to give for the call, one has to wire as follows: "Give five dollars call 250 Atchison end."

If one wants to take for the call, one has to wire thus: "Take five dollars call 250 Atchison end."

As a rule, however, it is not possible to get cash for options. The limit has to be added in case one wants to leave one, thus: "Give five dollars call 250 Atchison at 70¼ end."

(To be Continued.)

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CANADIAN EXPANSION.

Canada's trade policy has built up a complete industrial system, the invested capital of which is to-day about $486,000,000, against $146,000,000 in 1881; 15,000 manufacturing establishments with 500,000 employes are turning out products valued at nearly $486,000,000. The textile industry is represented by 26 cotton mills with 600,000 spindles, and 300 woolen mills; 75 mills are producing wood pulp and paper with excellent prospects of further expansion.

Five years ago the population of the prairie provinces was 466,000, and the grain crop amounted to 43,000,000 bushels. In 1906 the population was 1,000,000, and the grain crop was 200,000,000 bushels. The consumption of manufactured goods is about $110 per capita; of this home production supplied all except $25 per capita, while more than one-half of this importation comes from the United States. American capital to the extent of $195,000,000 has been invested in Canada during the past few years.

Learn how to tell a story. A well told story is as welcome as a sunbeam in a sickroom.

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Par Value	Outstanding Common Stock	Outstanding Preferred Stock	Bonds	Reserve Funds Profit and Loss	Last Dividend		STOCK	Range for year 1906		Range for 5 months, 1907				Closing one year ago, July 5.		Friday, July 5.		Range for week ending July 4, in market of activity				
					Date	Per cent.		High	Low.	High	Date	Low	Date	Ask	Bid	Ask	Bid	First	High	Low	Last	Sales
							BANKS															
50	10,000,000	....	....	5,000,000	1st June	q. 2	Commerce	190½	169½	180	Jan.	170	May	176	....	172	170½	170	171	170	170	79
50	3,612,991	....	....	4,574,290	1st July	q. 3	Dominion	283	262½	267	Jan.	237	Mar.	270	....	227	225	226⅞	226⅞	220	222	758
100	2,470,210	....	....	2,470,210	1st June	q. 2½	Hamilton	233	210	217	Jan.	204	April	228	....	205	....	200	200	200	200	5
100	4,804,551	....	....	4,804,550	1st May	q. 2¾	Imperial	254½	225	230	Jan.	217	Mar.	248	....	223	218	218	218	218	218	25
100	6,000,000	....	....	4,000,000	1st June	q. 2	Merchants	176	160½	170	Jan.	159	May	172	169	161	160	161	°161	160	160	30
100	1,000,000	....	....	1,000,000	1st July	q. 2	Metropolitan	202½	192	192½	Mar.	192	Mar.	....	200	193	....	....	....	....	....	....
100	3,277,620	....	....	3,277,620	1st July	q. 2½	Molsons	230	204½	215½	Jan.	200	May	230	....	210	203	....	....	....	....	....
100	14,400,000	....	....	11,000,000	1st June	q. 2½	Montreal	261	252¼	257	Jan.	243½	May	257	254	249	245	°249	249	246	246	17
100	3,000,000	....	....	5,250,000	1st July	q. 3	Nova Scotia	297½	273	293	Jan.	286	May	280	270	283	....	283	283	283	283	10
100	3,000,000	....	....	3,000,000	1st June	q. 2½	Ottawa	233	222	226¾	Feb.	220	Mar.	228	226	....	....	....	....	....	....	....
100	2,500,000	....	....	1,250,000	1st June	q. 1¾	Quebec	145	139½	145	Mar.	134	May	....	142	....	....	....	....	....	....	....
100	3,900,000	....	....	4,390,000	1st July	q. 2½	Royal	247½	222	242	Jan.	234½	May	235	229	230	....	....	....	....	....	....
100	3,000,000	....	....	....	16th May	q. 1½	Sovereign	155¼	133	....	....	....	....	140	139¾	117	114	117	118	117	117	62
50	1,540,420	....	....	1,640,420	1st June	q. 3	Standard	250¼	223	230¼	Feb.	220	April	....	....	....	215	215	215	215	215	14
100	3,986,820	....	....	4,486,820	1st June	q. 2½	Toronto	251	222	235¼	Jan.	*215½	May	236	234	....	....	....	....	....	....	....
100	4,350,490	....	....	1,900,000	1st July	q. 1¾	Traders	155	138½	140	Jan.	135	May	....	140	....	....	134½	134½	134½	134½	18
100	3,000,000	....	....	1,600,000	1st June	s. 3½	Union	158	143½	152	Jan.	143½	May	160	150	140	....	....	....	....	....	....
							TRANSPORTATION															
100	121,680,000	42,720,000	101,519,411	....	1st July	s. 3½	Canadian Pacific Railway	201	155¾	195⅛	Jan.	*156½	Mar.	160	158	175½	174¾	173⅝	173⅝	173⅝	173⅝	110
100	12,500,000	....	21,162,000	1,546,272	1st May	q. 1¼	Detroit United	102	79¼	84½	Jan.	65	Mar.	93	92½	68⅞	68½	65	68¼	64⅛	68⅛	674
100	12,000,000	10,000,000	20,000,000	....	....		Duluth	21	16¾	14	May	14	May	....	....	....	....	....	....	....	....	....
100	1,350,000	....	600,000	252,053	1st July	q. 1½	Halifax Electric	108	100	104½	Jan.	*94	Mar.	108	105	101	97	....	....	....	....	....
100	7,500,000	....	8,311,561	....	....		Havana Electric	50	35	45¼	Feb.	40	Mar.	47	43	....	....	....	....	....	....	....
100	....	5,000,000	....	....	15th July	q. 1	Havana Electric, preferred	97⅞	79	86	Jan.	70	April	....	*87	....	76	....	....	....	....	....
100	6,395,500	3,274,300	20,030,500	....	1st July	q. 1½	Illinois Traction, preferred	101½	88½	94¼	Feb.	*85	Mar.	95	93½	....	83¾	83	84	82¾	84	626
100	14,000,000	7,000,000	51,865,000	....	15th July	s. 2	Minn., St. P. and Sault Ste. Marie	....	....	136¾	Jan.	91	May	....	....	108	106	108½	108½	108½	108½	75
100	9,000,000	....	2,473,333	524,770	1st May	q. 2½	Montreal Street	284	211	239	Jan.	202	Mar.	279	278	213	211½	205	210	205	°210	308
100	840,000	....	....	87,100	19th Jan.	a. 6+1½	Northern Navigation	110¼	80½	104	Jan.	89	Mar.	100	96	95	....	....	....	....	....	....
100	7,938,900	....	10,385,000	....	15th June	q. ½	Northern Ohio Traction	33¼	27	30⅜	Jan.	26	April	31½	29¾	....	....	....	....	....	....	....
100	3,132,000	....	323,146	362,500	1st June	q. 1¼	Richelieu and Ontario	88¼	69¾	82⅞	Jan.	70	Mar.	85	82	67	65½	65¼	66½	65¼	66½	70
100	21,993,900	....	23,284,000	....	....		Rio de Janeiro	48	38½	48¼	Jan.	38⅞	Mar.	....	....	47	46½	45½	47⅜	45¼	47	4,126
100	563,300	....	....	115,996	1st Jan.	s. 10	St. Lawrence & Chi. Steam Nav. Co.	148	120	125	Jan.	120	April	140	....	125	....	....	....	....	....	....
100	8,026,637	....	6,000,000	1,785,718	1st July	q. 2	Sao Paulo	146	125	138½	Jan.	117⅞	Mar.	138½	138¼	116	115¼	116	116	114	114	234
100	12,000,000	....	10,866,000	....	2nd May	s. 1	Toledo Railway	36¼	25	29½	Jan.	23¾	Mar.	....	....	27	25	25½	25½	25¼	25¼	40
100	8,000,000	....	3,613,373	2,130,708	1st July	q. 1½	Toronto Railway	126	112	115¼	Jan.	*100	Mar.	....	....	105	103¾	101	104½	101	104⅜	454
100	9,000,000	2,600,000	6,993,000	....	1st July	q. 1¼	Tri-City, preferred	95	88½	90½	Jan.	85⅞	April	....	....	....	....	....	....	....	....	....
100	1,164,000	....	720,000	124,781	10th July	q. 1¼	Trinidad Electric	92	80	78½	April	70	April	....	*	....	....	75¼	75¼	75¼	75¼	100
100	20,100,000	3,000,000	16,546,000	1,281,348	15th May	q. 1¼	Twin City	122¼	102½	108½	Jan.	87¾	Mar.	111	110½	96	95	94¾	94¾	94⅝	94⅝	125
100	4,500,000	....	5,000,000	908,688	1st July	q. 2	Winnipeg Electric	190	160	186	Feb.	175	Feb.	....	....	170	....	....	....	....	....	....
							TELEGRAPH, LIGHT AND POWER															
100	10,625,000	....	3,363,000	3,849,846	15th April	q. 2	Bell Telephone	158¾	145	145	Jan.	†125	Mar.	152	*150	135	....	131½	132	131½	132	90
50	2,500,000	....	....	2,004,149	1st May	q. 2½	Consumers Gas	209	200	206	Jan.	196	May	206	*204	....	192	192¾	192¾	*190¼	*190¼	100
100	41,380,400	....	....	....	1st July	q. 1	Mackay, common	77⅛	57⅛	75⅛	Jan.	63¾	Mar.	71½	71⅛	68¾	68	66¾	67¾	66¾	67½	318
100	....	50,000,000	....	727,547	1st July	q. 1	Mackay, preferred	76⅛	68	71½	Jan.	66	Mar.	71¾	71½	66½	65¾	65¾	66½	65¼	66¼	380
100	13,585,000	....	12,000,000	1,050,428	....		Mexican Light and Power Co.	70	47½	57½	Feb.	45¼	April	58	....	46	44⅞	44½	44½	44½	44½	64
100	17,000,000	....	8,464,000	1,201,158	15th May	q. 1¼	Montreal Power	99½	86	94⅞	Jan.	81¾	Mar.	96⅞	96½	91⅜	91	89¾	92¼	89½	92¼	1,446
100	2,997,900	....	1,000,000	518,057	1st July	q. 2	Toronto Electric Light	171	152	160	Jan.	142	Mar.	....	152	150	....	....	....	....	....	....
							INDUSTRIALS AND MISCELLANEOUS															
100	4,700,000	300,000	....	1,969,354	1st July	q. 2½	Canadian General Electric	155	130	136½	Jan.	120½	Mar.	....	142	119½	....	125	125	124	124¾	164
100	20,000,000	5,000,000	9,642,000	....	....		Dominion Steel, common	34¼	20½	25	Jan.	16¾	Jan.	27	26	21¼	21	23½	24½	22	22¼	4,589
100	5,000,000	....	....	....	....		Dominion Steel, preferred	83½	60	66½	Jan.	48½	Mar.	77½	76	49	48½	52	52	52	52	55
100	15,000,000	....	5,612,164	1,825,940	1st July	q. 1	Dominion Coal	84½	58	70¼	Mar.	57	April	78	76	58¼	58	56⅛	60	56⅛	60	425
100	....	3,000,000	....	....	1st Feb.	s. 3½	Dominion Coal, preferred	122	112	112	Feb.	106	May	....	....	....	....	°107	°107	°107	°107	2
100	5,000,000	1,854,397	7,337,160	1,394,000	....		Dominion Textile, common	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
100	5,000,000	1,854,397	7,337,160	1,394,000	15th April	q. 1¾	Dominion Textile, preferred	109¾	95¼	*99	Jan.	88	May	103	*100	87	86	88½	88½	88½	88½	5
100	2,000,000	....	1,000,000	528,003	20th April	s. 3	Lake of Woods Milling	100	89	90	Feb.	75	Mar.	95	....	....	....	73¾	73¾	73½	73½	90
100	....	1,500,000	....	....	11th June	q. 1¾	Lake of Woods Milling, preferred	115	108	112	Feb.	*106¾	Feb.	115	112	....	....	105	107	105	107	28
100	700,000	....	....	227,417	8th Jan.	bal. 4½	Montreal Steel	114	97	98½	Feb.	96	April	....	*	98	....	....	....	....	....	....
100	....	800,000	....	....	8th Apr.	q. 1¾	Montreal Steel, preferred	115	106	106	May	105	Feb.	....	*	....	....	100	102	100	100	42
5	6,000,000	....	....	15,577	20th Apr.	q. 3	a Nipissing Mines Co.	....	....	15	Jan.	11	Mar.	....	....	12	....	11½	11½	11	11	150
100	4,987,600	....	3,752,000	2,617,051	15th April	q. 1½	Nova Scotia Steel, common	74½	60	79	Feb.	68	Jan.	67	65	....	67	66½	67	66½	67	136
100	....	1,030,000	....	....	15th April	q. 2	Nova Scotia Steel, preferred	125	118	*120	Jan	112	April	....	*	....	....	....	....	....	....	....
100	1,250,000	....	1,000,000	1,209,370	Sept.	a. 7	Ogilvie Flour	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
100	....	2,000,000	....	....	1st June	q. 1¾	Ogilvie Flour, preferred	130	123	121	Feb.	111	April	130	124	....	....	115	115	115	115	44

*Ex-div. †Ex-allotment a—Quotations per $5 share. ° Less than ten shares.

Inactive Stocks

Par Value	Common Stock Outstanding	Bonds, Preferred Stock or Deben'res Outstanding	Reserve and Contingent.	Last Dividend		STOCK	Range for year 1906		Latest price		Last Sale
				Date	Per cent.		High	Low	Ask	Bid	
						BANKS					
243	4,866,666	....	2,238,666	4th Apr.	3+1	British North America	146½	141	154	....	154¾
100	2,948,130	....	1,860,000	1st July	q. 2	Eastern Townships	163¼	160	....	158	161
100	2,464,070	....	1,600,000	1st June	q. 2	Hochelaga	163	†144	....	....	147
30	1,789,884	....	750,000	1st June	q. 1¾	Nationale	124	121	....	....	120
100	709,300	....	1,195,295	1st July	q. 3	New Brunswick	....	....	....	....	272
						LOAN AND TRUST					
50	630,200	1,032,603	283,000	2nd July	s. 3	Agricultural Loan	....	....	....	125	122
100	1,004,000	3,138,798	515,000	2nd July	s. 3½	Canada Landed	125	117½	....	118½	*121
10	6,000,000	13,857,807	2,450,000	1st July	s. 3	Canada Permanent	131	124	....	120	*121½
100	1,500,000	4,673,890	1,050,000	1st July	q. 2	Central Canada	172	160	....	160	165
10	2,398,701	p 2,456,900 d 147,413	119,808	1st July	s. 3	Col. Investment, preferred	89	75	70	....	*70
50	934,617	394,045	107,590	30th June	s. 2	Dominion Savings	73	70	....	71	71
100	1,100,000	1,671,417	504,080	2nd July	s. 3	Hamilton Provident	124	120	....	120	120
50	1,900,000	5,271,479	1,600,000	2nd July	s. 4½	Huron and Erie	188½	183	....	185	186
100	735,481	547,746	78,720	2nd July	s. 2½	Imperial Loan	70	70	....	....	70
100	700,000	1,005,434	310,000	2nd July	s. 3	Landed Banking	125	121	....	121	124
50	1,000,000	2,243,355	264,310	2nd July	s. 3	London and Canadian Loan	111¼	105	106	....	106½
50	686,891	518,919	134,000	1st July	s. 3	London Loan and Savings	....	....	....	....	119
25	500,000	....	438,096	15th Mar. s.	3½ plus ½	Montreal Loan	138	*133¼	....	....	133
£10	£150,000	£598,225	£145,000		5 s. plus 2½	North of Scotland	....	....	....	....	....
100	1,000,,000	....	450,000	2nd July	1¾	National Trust	157	155	....	157	158
50	1,200000	1,594,326	685,000	2nd July	s. 3¼	Ontario Loan and Debenture	140	128¼	....	131¼	134½
40	373,720	119,260	82,500	2nd July s.	2½ plus ½	Real Estate Loan	90	85	....	....	87
100	1,000,000	....	375,000	2nd July	s. 3¾	Toronto General Trusts	160	140	150	....	*140

Par Value	Common Stock Outstanding	Bonds or Preferred Stock Outstanding	Reserve	Last Dividend		STOCK	Range for year 1906		Latest price		Last Sale
				Date	Per cent.		High	Low	Ask	Bid	
50	724,550	1,274,108	305,000	2nd July	s. 3	Toronto Mortgage Co	115½	105½	112	....	109½
100	1,000,000	1,105,536	580,000	1st July	q. 1½	Toronto Savings	....	....	....	....	126
						OTHER COMPANIES					
25	850,000	550,000	....		3 % passed	British America Assurance	98	97	....	....	97
100	1,511,400	1,270,000	....	Nov. 20, '05	3½ for 6 mos.	British Columbia Packers, pfd	80½	59¾	....	....	°75
100	2,700,000	b 2,000,000	....	15 June	1	Canada Col. Cotton	60	45	56	52	53¼
400	1,000,000	....	44,865	1st July	4	Canada Life Assurance	163	163	....	....	155
100	3,000,000			July	q. 1	Canadian Converters, Limited	60	60	....	....	60
100	500,000	....	46,333	1st July	q. 2	Canadian Salt	110¼	*108	....	....	108
12½	733,841	....	....		a	Canada North-West Land	500	400	....	....	435
100	565,000	....	30,000	....		City Dairy	38	21½	37	....	35
100	346,350	....	....	2nd July	1¾	City Dairy, preferred	94¼	*82¼	90	....	88
100	100,000	....	....	1st July	s. 7½	Confederation Life Association	285	272½	....	....	285
50	1,000,000	....	....	15th July	q. 1½	Dominion Telegraph	121	*119	120	....	120
100	1,700,000	2,895,700	....	15th July	s. 2¾	Hamilton Electric Power, pfd	....	....	....	....	....
100	450,000	....	....	1st July	q. 1½	Imperial Life Assurance	149	149	....	....	150
100	500,000	b 344,000	90,474	Mch.	s. 3½	Intercolonial Coal	90	84	....	....	85
100	....	219,700	....	Mch.	s. 3	Intercolonial Coal, preferred	....	....	....	....	100¼
100	1,600,000	b 1,200,000	....	1st Feb.	s. 3	Laurentide Paper	107½	89½	....	89	88
100	....	1,200,000	....	1st July	q. 1¾	Laurentide Paper, preferred	114¾	100½	105	102½	°106
100	404,610	b 102,083	75,000	1st June	s. 3	London Electric	95	89¾	....	....	89¾
40	531,792	b 500,000	....	30th June	s. 3¾	London Street	97¼	97¼	....	....	97¼
100	3,000,000	b 350,000	....	15th June	q. 1¾	Montreal Cotton	135	122	....	....	125
40	2,000,000	....	98,098	15th July	q. 2	Montreal Telegraph	171	162	....	....	158
100	701,700	b 111,000	123,953	2nd July	s. 4	Niagara Navigation	133½	117	123	....	*117
100	925,000	b 819,000	....	....		Niagara, St. Cath. and Toronto	80	75	....	75	80
100	998,200	500,000	230,564	2nd July	q. 2½	Ottawa Electric Railway	....	....	....	....	....
20	1,500,000	1,000,000	....		passed	Western Assurance	98	96	....	....	96
100	600,000	b 1,100,000	....	July	s. 4 plus 1	Windsor Hotel	105	100	....	....	107¼

NOTE.—s means semi-annually ; q.—quarterly ; plus indicates bonus ; b. means bonds. p.—Preferred stock. d.—Debentures. o.—Less than ten shares. a.—$12.50 per share return of capital payable March 15, 1907.

THE FINANICAL CALENDAR.

Week ending July 13.

Annual Meetings.

July 10.—Dominion Telegraph Co.

BANK CLEARINGS.

The bank clearings for the week exhibit consistent gains in most places and Montreal and Toronto both show increases over last year. Victoria shows a surprising advance, indicative of the awakening of what was formerly the sleepy capital of B.C. The returns for the week ending July 4th are :

	1907.	1906.
Montreal	$29,957,478	$27,388,516
Toronto	23,869,984	22,744,899
Winnipeg	12,379,324	8,923,171
Vancouver	3,252,771	2,232,152
Quebec	2,223,816	2,242,637
Halifax	1,854,701	1,659,116
Hamilton	1,540,635	1,841,694
St. John	1,107,749	1,034,621
Victoria	1,057,207	482,895
Calgary	1,260,549	1,015,823
Edmonton	706,065	
London	1,275,083	1,332,468
Ottawa	2,589,064	2,292,562

STEEL SHAREHOLDERS MET.

It Was Not the Regular Meeting—The Directors Also Confer.

A Montreal dispatch on Friday said: A meeting of shareholders of the Dominion Iron & Steel Company was held at the Windsor at noon to-day notwithstanding the notice sent out through the press by the old board of directors that the meeting had been indefinitely postponed. The shareholders who attended the meeting were representing the peace interest, and they held that the notice, postponing the meeting, had not been legally served. The interests who arranged the meeting were members of the firm of Charles Meredith & Co., who are regarded as the brokers for James Ross and his associates. Mr. James Reid was appointed chairman, and the scrutineers reported that 28,000 shares of Steel stock were represented at the meeting. By an unanimous vote the meeting adjourned until July 19. Previous to the meeting there was a meeting of the old Steel board, at which Mr. Plummer presided. There were present Senator Forget, Sir William Van Horne and William McMaster and Elias Rogers. Most of the time was devoted to discussion with the solicitors as to what action should be taken regarding the calling of another meeting.

THE BOND MARKET

Week Ending July 5th, 1907.

BONDS	Rate	Closing		Sales Week June 4
		Asked	Bid	$
Bell Telephone Co.	5	106¾	....	1,000
Can. Colored Cotton Mills Co.	6	....	....	1,000
Commercial Cable Co.	4	....	....	....
Dominion Coal Co.	5	....	....	3,000
Dominion Cotton Mills Co.	6	95	92	....
Dominion Iron & Sreel Co.	5	71¼	71	2,000
Dominion Textile Co., Series A.	6	91	87	....
Do. Do. Series B.	6	....	88	....
Do. Do. Series C.	6	91	87	....
Do. Do. Series D.	6	....	....	6,500
Electrical Development Co.	5	75½	....	....
Halifax Electric Tramway Co.	5	102	....	4,000
Havana Electric Railway Co.	5	....	....	....
Intercolonial Coal Co.	5	....	....	....
Keewatin Flour Mills	6	....	....	....
Lake of the Woods Milling Co.	6	....	98	2,000
Laurentide Paper Co.	6	....	....	....
Magdalen Islands	6	....	....	....
Mexican Electric Light Co.	5	75½	....	8,000
Mexican Light & Power Co.	5	82	81¼	5,000
Montreal Light, Heat & Power Co.	4½	....	....	1,000
Montreal Street Railway Co.	4½	102	....	....
Nova Scotia Steel & Coal Co. 1st Mtg.	6	110	....	13,000
Do. Do. Cons. Mtg.	6	....	....	500
Ogilvie Flour Mills Co.	6	....	....	1,000
Price Bros. Co.	6	....	....	....
Rio de Janeiro Tramway, L. & P. Co.	5	75	74⅞	91,000
St. John Railway	5	....	....	....
Sao Paulo Tramway L. & P. Co.	5	....	92	20,000
Winnipeg Elec. Street R'y. Co.	5	....	....	....
Montreal City, Stock	7	....	....	....
Montreal City, Stock	4	....	....	....

CURB QUOTATIONS.

Week ending July 5th, 1907.

NAME	Stock Issued.	Acreage.	Week ending July 4.			Closing bid July 5
			High	Low	Sales	
Abitibi & Cobalt Mining Co.	....	....	....	....	....	....
Beaver Consolidated Mines	1,000,000	20	....	....	....	....
Buffalo Mines Co.	900,000	40	....	....	....	....
Cobalt Lake Mining Co.	3,930,866	....	.22	.16	4,879	.17½
Cobalt Silver Queen	1,500,000	58	1.14	1.03	750	1.05
Cleveland Cobalt Silver Mines	1,000,000	114	....	....	....	....
Coniagas	4,000,000	40	3.80	3.75	375	....
Foster Cobalt Mining Co.	1,000,000	40	.72	.63	14,480	.80
Green-Meehan Mining Co.	1,500,000	40	.40	.40	100	.43
Kerr Lake Mining Co.	3,000,000	52	....	....	....	....
McKinley-Darragh-Savage Mines	2,000,000	120	....	....	....	....
Nova Scotia Silver Cobalt M. Co.	1,800,000	....	.20	.19½	1,500	....
Peterson Lake	2,500,000	225	.25	.24½	600	....
Red Rock Silver Mining Co.	1,000,000	30	.25	.25	1,000	....
Rothschild Cobalt Co.	500,000	40	....	....	....	....
Silver Leaf Mining Co.	5,000,000	40	.10	.08½	23,500	.9
Stanley Smelters	500,000	....	....	....	....	....
Temiscaming Mining Co.	2,500,000	210	....	....	....	....
Trethewey	1,000,000	40	.70	.64	23,200	.70¼
University Mines	1,000,000	56	....	....	....	....

UNLISTED SECURITIES.

NAME	Stock Issued	Bonds and Pref. Stocks	Week ending July 4			Closing bid July 5
			High	Low	Sales	
Brit. Col. Packers' Ass'n. Com.	1,511,400	$1,270,000	....	....	....	....
Consolidated Mining & Smelting	4,698,886	....	....	....	....	105
Consolidated Rubber Bonds	2,141,300	822,200	....	....	....	....
Consolidated Rubber Stock, Pref.		2,600,000b	....	....	....	80
Canada Cycle & Motor Co.	800,000	....	....	....	....	....
Dominion Iron & Steel, 2nd Mtg.	20,000,000	2,178,000	....	....	....	80
Dominion Park Stock	400,000	250,000	....	....	....	....
Havana Central Bonds	6,250,000	6,250,000	....	....	....	70
Illinois Traction Com.	5,810,000	3,214,300	....	....	....	....
Mexico Tramways	6,000,000	....	59	59	100	57
Quebec Railway, L. & P. Co. @	2,500,000	2,500,000b	....	....	....	....
Rogers, Wm. A., Com.	750,000	900,999	....	....	....	....
Rogers, Wm. A., Pref.	900,000	....	....	....	....	....
Shawinigan L. & P.	6,500,000	4,000,000b	45	45	200	44
Standard Loan Co.	1,125,000	d 600,000	....	....	....	....
Sun & Hastings Savings & Loan Co.	937,000	d 52,000	....	....	....	....
Tri-City Railway & Light Co., Com.	9,000,000	2,600,000	....	....	....	....
Union Bank of Halifax	1,500,000	....	....	....	....	....
Western Bank of Canada	555,000	....	....	....	....	....
Yukon Loan & Trust Co., Com.	....	....	....	....	....	115
	d Debentures	b Bonds				